Hood & Strong

Advisory, Tax
and Assurance

Community Vision Capital & Consulting

September 30, 2025 and 2024

Consolidated Financial Statements and
Supplementary Information

Community Vision Capital & Consulting

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Independent Auditors' Report

THE BOARD OF DIRECTORS
COMMUNITY VISION CAPITAL & CONSULTING
San Francisco, California

Opinion

We have audited the consolidated financial statements of **COMMUNITY VISION CAPITAL & CONSULTING (the Organization)**, which comprise the consolidated statement of financial position as of September 30, 2025 and 2024, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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 Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on these consolidated financial statements as a whole. The accompanying supplementary information (pages 32 - 33) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hood & Strong LLP

San Francisco, California
January 21, 2026

Community Vision Capital & Consulting

Consolidated Statement of Financial Position

September 30, 2025 and 2024

	2025			2024		
	General Fund	Loan Fund	Total	General Fund	Loan Fund	Total
Assets						
Current Assets:						
Cash and cash equivalents	$ 3,228,941	$ 6,722,304	$ 9,951,245	$ 4,529,330	$ 18,436,624	$ 22,965,954
Contributions receivable	1,625,000		1,625,000	460,000		460,000
Accrued interest and other receivables, net	743,051	280,000	1,023,051	654,546		654,546
Prepaid expenses and other assets	230,014		230,014	269,491		269,491
Investments (Note 4)	11,877,652	34,071,393	45,949,045	9,126,799	36,943,370	46,070,169
Funds held in trust (Note 3)	7,454,920		7,454,920	2,609,707		2,609,707
Loans receivable - current portion, net of allowance for credit loss (Note 6)		31,343,837	31,343,837		21,308,562	21,308,562
Total current assets	25,159,578	72,417,534	97,577,112	17,649,873	76,688,556	94,338,429
Loans Receivable - long-term portion, net of allowance for credit loss (Note 6)	1,138,982	68,304,822	69,443,804	1,183,219	61,542,313	62,725,532
Other Long Term Receivables (Note 7)	1,279,711		1,279,711	1,279,711		1,279,711
Program Related Investments - notes receivable, net of allowance for credit loss (Note 2)	100,800		100,800	94,800		94,800
Operating lease right-of-use asset	818,104		818,104	949,814		949,814
Property Held for Sale (Note 7)	2,427,899		2,427,899	2,427,899		2,427,899
Total assets	$ 30,925,074	$ 140,722,356	$ 171,647,430	$ 23,585,316	$ 138,230,869	$ 161,816,185
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable and accrued expenses	$ 1,152,390	$ 12,244	$ 1,164,634	$ 1,146,569	$ 153	$ 1,146,722
Accrued interest payable	701,811	11,591	713,402	624,256	66,096	690,352
Deferred revenue and other liabilities	74,520	570,000	644,520	219,645	1,001,396	1,221,041
Funds held in trust (Note 3)	7,454,920		7,454,920	2,609,707		2,609,707
Notes payable - current portion (Note 8)		13,915,146	13,915,146		15,438,152	15,438,152
Total current liabilities	9,383,641	14,508,981	23,892,622	4,600,177	16,505,797	21,105,974
Operating lease liabilities	861,262		861,262	955,980		955,980
Deferred revenue and other liabilities, net of current portion					2,704,187	2,704,187
Notes Payable, net of current portion (Note 8)	663,952	99,647,635	100,311,587	879,092	87,018,878	87,897,970
Total liabilities	10,908,855	114,156,616	125,065,471	6,435,249	106,228,862	112,664,111
Net Assets:						
Without donor restrictions:						
Board-designated reserve (Note 2)	3,000,000	3,000,000	6,000,000	3,000,000	3,000,000	6,000,000
Undesignated	11,846,044	23,565,740	35,411,784	8,380,055	29,002,007	37,382,062
Total without donor restrictions	14,846,044	26,565,740	41,411,784	11,380,055	32,002,007	43,382,062
With donor restrictions (Note 10)	5,170,175		5,170,175	5,770,012		5,770,012
Total net assets	20,016,219	26,565,740	46,581,959	17,150,067	32,002,007	49,152,074
Total liabilities and net assets	$ 30,925,074	$ 140,722,356	$ 171,647,430	$ 23,585,316	$ 138,230,869	$ 161,816,185

See accompanying notes to the consolidated financial statements.

Community Vision Capital & Consulting

Consolidated Statement of Activities and Changes in Net Assets

Years Ended September 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
New markets tax credit fees (Note 14)	$ 288,633		$ 288,633	$ 308,800		$ 308,800
Consulting and contract fees	271,473		271,473	347,997		347,997
Loan fees	475,499		475,499	324,355		324,355
Grants and contributions	261,404	$ 3,672,533	3,933,937	251,338	$ 788,837	1,040,175
Government contract revenue	5,663,195		5,663,195	1,540,730		1,540,730
Other income	470,316		470,316	48,935		48,935
Interest income - notes receivable	5,840,302		5,840,302	4,613,845		4,613,845
Investment income, net (Note 4)	3,498,861		3,498,861	4,763,740		4,763,740
In-kind contributions	112,084		112,084	350,003		350,003
Net assets released from restrictions (Note 10)	4,272,370	(4,272,370)	-	4,038,156	(4,038,156)	-
Total support and revenue	21,154,137	(599,837)	20,554,300	16,587,899	(3,249,319)	13,338,580
Expenses:						
Program services:						
Capital Solutions	18,929,193		18,929,193	11,637,516		11,637,516
New markets tax credits	156,778		156,778	92,118		92,118
Real estate solutions	1,381,774		1,381,774	1,824,523		1,824,523
Communications and impact	789,951		789,951	1,164,056		1,164,056
Capitalization	792,346		792,346	687,168		687,168
Total program services	22,050,042	-	22,050,042	15,405,381	-	15,405,381
Supporting services:						
Administration	846,623		846,623	1,075,897		1,075,897
Development	227,750		227,750	400,395		400,395
Total supporting services	1,074,373	-	1,074,373	1,476,292	-	1,476,292
Total expenses	23,124,415	-	23,124,415	16,881,673	-	16,881,673
Change in Net Assets	(1,970,278)	(599,837)	(2,570,115)	(293,774)	(3,249,319)	(3,543,093)
Other Changes:						
Grants and contributions (Note 11)			-	15,000,000		15,000,000
Total Change in Net Assets	(1,970,278)	(599,837)	(2,570,115)	14,706,226	(3,249,319)	11,456,907
Net Assets, beginning of year	43,382,062	5,770,012	49,152,074	28,675,836	9,019,331	37,695,167
Net Assets, end of year	$ 41,411,784	$ 5,170,175	$ 46,581,959	$ 43,382,062	$ 5,770,012	$ 49,152,074

See accompanying notes to the consolidated financial statements.

Community Vision Capital & Consulting

Consolidated Statement of Functional Expenses

Year Ended September 30, 2025

	Program Services						Supporting Services		
	Capital Solutions	New Markets Tax Credits	Real Estate Solutions	Communications and Impact	Capitalization	Program Services Total	Administration	Development	Total
Salaries and benefits	$ 2,642,016	$ 106,055	$ 995,291	$ 619,561	$ 613,416	$ 4,976,339	$ 496,452	$ 106,849	$ 5,579,640
Interest	2,638,064					2,638,064			2,638,064
Consultants and legal	268,499	21,570	121,125	68,006	29,419	508,619	184,939	33,583	727,141
Office expenses	272,568	19,355	105,761	47,508	43,697	488,889	76,311	5,393	570,593
Rent	182,485	3,292	47,909	19,414	21,626	274,726	20,970	3,121	298,817
Travel, outreach, and other	312,081	4,922	89,607	26,124	31,428	464,162	47,398	77,303	588,863
Depreciation	20,327	672	9,368	3,962	4,413	38,742	4,264	637	43,643
Bad debt expense	71,520					71,520			71,520
In-kind legal and technological services	27,584	912	12,713	5,376	48,347	94,932	16,289	864	112,085
Total expenses before provision for credit losses	$ 6,435,144	$ 156,778	$ 1,381,774	$ 789,951	$ 792,346	$ 9,555,993	$ 846,623	$ 227,750	$ 10,630,366
Provision for credit losses	12,494,049					12,494,049			12,494,049
Total Expenses	18,929,193	156,778	1,381,774	789,951	792,346	22,050,042	846,623	227,750	23,124,415

Year Ended September 30, 2024

	Program Services						Supporting Services		
	Capital Solutions	New Markets Tax Credits	Real Estate Solutions	Communications and Impact	Capitalization	Program Services Total	Administration	Development	Total
Salaries and benefits	$ 2,180,200	59,724	1,274,519	913,334	336,215	$ 4,763,992	$ 679,360	240,303	$ 5,683,655
Interest	1,808,376					1,808,376			1,808,376
Consultants and legal	344,193	7,679	266,502	119,303	82,218	819,895	219,334	62,323	1,101,552
Office expenses	330,773	17,314	126,464	57,748	39,777	572,076	94,172	26,303	692,551
Rent	131,240	2,244	62,048	33,185	15,349	244,066	27,435	9,896	281,397
Travel, outreach, and other	241,630	3,142	37,321	11,864	9,338	303,295	31,142	52,687	387,124
Depreciation	17,398	460	11,963	6,529	3,143	39,493	5,578	2,026	47,097
Bad debt expense	127,822		5,225			133,047			133,047
In-kind legal and technological services	59,013	1,555	40,481	22,093	201,128	324,270	18,876	6,857	350,003
Total expenses before provision for credit losses	$ 5,240,645	$ 92,118	$ 1,824,523	$ 1,164,056	$ 687,168	$ 9,008,510	$ 1,075,897	$ 400,395	$ 10,484,802
Provision for credit losses	6,396,871					6,396,871			6,396,871
Total Expenses	$ 11,637,516	$ 92,118	$ 1,824,523	$ 1,164,056	$ 687,168	$ 15,405,381	$ 1,075,897	$ 400,395	$ 16,881,673

See accompanying notes to the consolidated financial statements.

Community Vision Capital & Consulting

Consolidated Statement of Cash Flows

Years Ended September 30,	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (2,570,115)	$ 11,456,907
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,642	47,097
Amortization of operating lease right-of-use asset	131,710	117,845
Provision for credit losses	12,518,049	6,396,871
Realized and unrealized gains on investments	(1,702,428)	(3,400,112)
Changes in operating assets and liabilities:		
Contributions receivable	(1,165,000)	1,010,000
Accrued interest and other receivables, net	(368,505)	425,349
Prepaid expenses and other assets	(4,165)	45,634
Accounts payable and accrued expenses	17,912	216,734
Disbursements - program related investments	(30,000)	
Accrued interest payable	23,050	57,202
Lease obligations	(94,718)	(111,679)
Deferred revenue and other liabilities	(3,280,708)	(1,535,009)
Net cash provided by operating activities	3,518,724	14,726,839
Cash Flows from Investing Activities:		
Purchases of investments	(19,076,147)	(20,049,013)
Proceeds from sale of investments	20,899,699	7,746,936
Loan disbursements to borrowers	(49,310,732)	(27,977,206)
Loan principal payments from borrowers	20,063,136	15,415,031
Net cash used in investing activities	(27,424,044)	(24,864,252)
Cash Flows from Financing Activities:		
Proceeds from notes payable	18,069,700	30,374,694
Repayments of notes payable	(7,179,089)	(8,105,543)
Net cash provided by financing activities	10,890,611	22,269,151
Net Change in Cash and Cash Equivalents	(13,014,709)	12,131,738
Cash and Cash Equivalents, beginning of year	22,965,954	10,834,216
Cash and Cash Equivalents, end of year	$ 9,951,245	$ 22,965,954
Supplemental Cash Flow Information:		
Cash paid for interest during the year	$ 2,536,337	$ 1,792,570
Non-Cash Transactions		
Acquisition of operating lease liabilities		$ 341,732

See accompanying notes to the consolidated financial statements.

Note 1 - Nature of Organization:

Community Vision Capital & Consulting (the Organization) was formed as a California not-for-profit corporation in 1987. As a certified Community Development Financial Institution (CDFI), the Organization's mission is to promote economic justice and alleviate poverty by increasing the financial resilience and sustainability of community-based nonprofits and enterprises. Through flexible financial products and sound advice, the Organization creates opportunities to make socially responsible investments that revitalize California communities.

In January 2018, the Organization formed a wholly-owned subsidiary, Credit Enhancement 1, LLC (CE1) (a California limited liability company), for the purpose of managing a program for food enterprise related financing (FreshWorks).

In September 2023, the Organization formed a wholly-owned subsidiary, 3105 San Pablo, LLC (a California limited liability company), for the purpose of holding a specific parcel of real estate related to a New Markets Tax Credit transaction.

The following is a summary of the Organization's programs:

Programs

Capital Solutions: The Organization provides flexible and responsive financing to support not-for-profit organizations and enterprises that are rooted in and benefit low-income communities. The Organization provides financing in five primary sectors: affordable housing, community facilities, human services, inclusive economic development, and food systems. The types of loans offered by the Organization include real estate acquisition, construction, and permanent financing; as well as working capital loans and lines of credit. Integral to the Organization's lending program, the Organization also provides technical assistance to its borrowers as needed to help them understand their financial position and appropriate use of debt financing. The department also manages a number of deeply concessionary lending programs for special purposes. The department also evaluates, designs, and implements innovative new programs and strategies and manages a number of mission-aligned grant and loan programs on behalf of private foundations, local government agencies, and other third parties.

New Markets Tax Credit: The Organization is certified by the U. S. Department of Treasury - Community Development Financial Institutions Fund (CDFI Fund) as a Community Development Entity (CDE) for the purpose of participating in its New Markets Tax Credit (NMTC) Program. The Organization uses tax credit allocations to generate new equity capital investments to support real estate projects that are rooted in and benefit low-income communities, including multi-tenant nonprofit centers, nonprofit community facilities, grocery stores, food enterprises, and mixed-use affordable housing developments.

Real Estate Solutions: The Organization also conducts programmatic work to support community ownership of community assets through its Real Estate Solutions program. Much of this work involves providing advice and training to not-for-profit organizations rooted in communities of color and low-income communities to develop real estate strategies and strengthen their financial management capacity. Additionally, the program runs peer-based cohort programs that offer training, network building, and 1:1 support to community-based real estate actors and supports research on and relationship building with not-for-profit leaders outside of the Bay Area.

Communications and Impact: The organization evaluates programs and initiatives on an ongoing basis. It develops and distributes information about its programs both internally and externally via multiple channels.

Capitalization: The Organization provides a socially responsible investment opportunity for individuals and organizations interested in putting their capital to work in low-income communities in Northern and Central California. The Organization uses loans and contributions to capitalize its revolving loan fund. The Organization's investors and contributors include individuals, trusts, foundations, not-for-profit organizations, religious organizations, health organizations, corporations, and financial institutions.

Note 2 - Summary of Significant Accounting Policies:

<u>Basis of Presentation and Description of Net Assets</u>

The Organization reports using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and provides information regarding its financial position and activities according to two classes of net assets. The Organization has no net assets with donor restrictions that are required to be maintained in perpetuity.

Net Assets Without Donor Restrictions

The portion of net assets that is neither subject to time or donor-imposed restrictions and may be expended for any purpose in performing the objective of the Organization. Net assets without donor restrictions may be designated for use by the Board of Directors. The Board of Directors has designated $3,000,000 in net assets without donor restrictions for a five-month operating reserve and future program development and another $3,000,000 in net assets for loan fund liquidity for a total of $6,000,000.

Net Assets With Donor Restrictions

These are the portion of net assets for which use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization.

Principles of Consolidation

The accompanying consolidated financial statements include all amounts and operations of Community Vision Capital & Consulting, Credit Enhancement 1, LLC, and 3105 San Pablo LLC, both wholly-owned subsidiaries (collectively, the Organization). Intercompany transactions and accounts have been eliminated in consolidation.

Revenue Recognition

Contributions are recognized as support and revenues when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Certain contributions are reported as support without donor restrictions when the restriction is met in the same period as the contribution is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization uses the allowance method to account for uncollectible contributions based on historical experience and an evaluation of the outstanding receivables at the end of the year. Contributions are expected to be collected in fiscal year 2026. At September 30, 2025 and 2024, management determined that no allowance is necessary.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants which are conditioned upon certain performance requirements and/or incurring qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Consolidated Statement of Financial Position. The Organization was awarded cost reimbursable grants of $570,000 that have not been recognized as revenue at September 30, 2025 because qualifying expenditures have not yet been incurred.

The Organization receives in-kind donations of software and technological services as well as pro bono legal services for work on commercial real estate transactions, securities offerings, and general corporate work. Services contributed to the Organization are recorded at their estimated fair value if they would have been purchased had they not been donated and required a specialized skill. For the year ended September 30, 2025, in-kind contributions of $112,084 primarily consisted of legal and professional services of $52,861 and software licenses of $59,223. For the year ended September 30, 2024, in-kind contributions of $350,003 primarily consisted of legal and professional services of $190,633 and software licenses of $159,370. The value of legal, advertising and software licenses is based on market rates typically charged for those items in the normal course of business for similar services and products. In-kind contributions were received without donor restrictions and were utilized in the following functional areas: Lending, Consulting, Management & General and Development.

Cash and Cash Equivalents

Cash is defined as cash in demand deposits accounts as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant cash credit risk.

Loans Receivable

Loans receivable are reported at their outstanding principal balances adjusted for charge-offs, allowance for credit losses, and unearned interest, if any.

Interest income is accrued on principal loan balances. The Organization accrues interest on past due loans at the regular rate of interest or at the default rate of interest for loans that are in default. Loans may be placed on nonaccrual status when any portion of the principal or interest is ninety days past due or earlier when concern exists as to the ultimate collectability of principal or interest, as evaluated at least quarterly. The Organization makes every effort to collect all interest payments from the borrower even after loans are placed on nonaccrual status for accounting purposes.

Loans return to accrual status when principal and interest become current and are anticipated to be fully collectible. Payments received on nonaccrual loans receivable are applied first to outstanding principal or interest depending on the circumstances of each particular loan.

Loan origination fees are recognized immediately, which management has determined is not materially different from U.S. GAAP. Management has the intent and ability to hold these loans until maturity or payoff.

Allowance for Credit Losses

Management's determination of the allowance for credit losses rests upon various judgments and assumptions, including current and future projected economic conditions, prior loss experience, the value of the underlying collateral, continuing review of the portfolio of loan and commitments, and evaluation of credit risk related to certain individual borrowers. Management considers the allowance for credit losses adequate to cover losses inherent in loans and loan commitments. However, because of uncertainties associated with these judgments and assumptions, it is reasonably possible that management's estimate of credit losses inherent in the loan portfolio and the related allowance may change materially in the near term. The allowance is increased or decreased by the provision (recapture) for allowance in credit losses, which is charged to expense.

As part of its regular monitoring process, the Organization assigns a potential loss percentage to each loan. The allowance in credit losses for the revolving loan fund was estimated at 16.97% and 9.61% as of September 30, 2025 and 2024, respectively. The allowance for credit losses is reported separately for current and non-current portions of loans receivable based on a pro-rata allocation made using the ratio of the corresponding outstanding principal balances of the respective notes receivable.

Given current economic conditions, the Organization established an allowance for uncollectible accrued interest and other receivables several years ago based upon a review of outstanding receivables, historical collection information, and current and future economic uncertainty. The allowance for accrued interest and other receivables, net was as follows as of September 30:

	2025	2024
Accrued interest and other receivables	$ 1,078,856	$ 662,831
Allowance for uncollectible accounts	(55,805)	(8,285)
	$ 1,023,051	$ 654,546

Program Related Investments – Notes Receivable

Program related investments are investments that would not be made were it not for the relationship of the investment to the Organization's programmatic mission. Although the underlying investments may or may not have a profit motive, that is not the primary focus of the investment by the Organization.

The Organization's Program Related Investments provide forgivable predevelopment loans at 0% interest to nonprofit organizations for affordable housing and community facility development projects as well as subordinated loans to small businesses for a variety of operating purposes.

Program related investments are carried at cost less an estimate for expected credit losses, based upon a review of all outstanding amounts on a regular basis. Management determines the allowance for credit losses by considering historical experience, an evaluation of specific notes receivables, an organization's financial condition and current economic conditions, current forecasts of future economic conditions over the time horizon the Organization is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts. Notes receivables are written off when deemed uncollectible. Recoveries of notes receivables previously written off are recorded as income when received.

As of September 30, 2025 and 2024 total amounts outstanding under this program, net of allowance, were $100,801 and $94,800, respectively. As of September 30, 2025 and 2024 the Organization established a credit loss allowance of $403,200 and $379,200 for these loans.

Investments

Investments are stated at fair value. The values of debt and equity securities and mutual funds are based on their quoted market prices. Certain investments are measured at cost. Gains and losses that result from market fluctuations are recognized in the Consolidated Statement of Activities and Changes in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned. Investment related expenses are deducted from investment income.

Fair Value Measurements

The Organization carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

Fixed Assets

Fixed assets are stated at cost, if purchased or, at estimated fair value if donated. Depreciation is computed using the straight-line method, over the estimated useful lives of the assets, which range from three to five years. Depreciation expense during 2025 and 2024 were $43,642 and $47,097, respectively.

Subordinate Notes Payable

Subordinate notes payable are subordinated promissory notes with a rolling term (maturity) feature that lenders are classifying as Equity Equivalent Investments (EQ2). EQ2s are unique to the CDFI industry. They were created as a mechanism for not-for-profit CDFI's to acquire equity-like capital.

Below Market Interest Rate Loans

U.S. GAAP requires not-for-profit organizations to record interest expense (income) and contribution revenue (expense) in connection with loans that are interest-free, or that have below-market interest rates. The Organization believes there is no material difference between prevailing community development finance market rates and the stated rates of loans receivable in its portfolios, notes payable, or other liabilities. Consequently, no adjustments have been made to the consolidated financial statements to reflect rate differentials.

Income Taxes

The Organization is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code.

As of September 30, 2025 and 2024, management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to or disclosure in the consolidated financial statements.

Allocation of Functional Expenses

The costs of providing program services and supporting services are summarized on a functional basis in the Consolidated Statement of Functional Expenses. Accordingly, certain costs are allocated among program services and supporting services based on the estimates of employees' time incurred and on usage of resources.

Leases

The Organization determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases at their commencement. The Organization does not have any financing leases. The Organization elected not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. Operating right-of-use lease assets represent the Organization's right to use an underlying asset during the lease term and operating lease liabilities represent the Organization's obligation to make payments arising from the lease. Operating leases are recorded in operating right-of-use assets and operating lease liabilities on the Statement of Financial Position.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The discount rate used to derive the present value is based on the risk-free rate for the period comparable to the lease term. Renewal periods are included in calculating the right of use assets and liabilities when they are reasonably certain of exercise. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

<u>Use of Estimates</u>

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

<u>Subsequent Events</u>

The Organization evaluated subsequent events from September 30, 2025 through January 21, 2026, the date these consolidated financial statements were available to be issued. The Organization has determined that there were no material subsequent events that required recognition or additional disclosures in these consolidated financial statements, except as disclosed in Note 14.

Note 3 - Funds Held in Trust:

The Organization receives and distributes assets under certain mission-aligned intermediary arrangements. The Organization holds such funds as funds held in trust. Distributions of such funds are managed by the Organization according to the guidelines of the specific programs. These funds are invested in money market accounts.

The Organization manages targeted grant pools for varying purposes. The Organization underwrites and coordinates grants for these pools in accordance with the conditions imposed by the original source of the funds. The Organization also disburses, monitors, tracks, and reports on these grants.

On occasion, the Organization also includes reserve funds for various transactions where the Organization is authorized to release the funds based on the terms of the transaction.

A summary of activity in these programs is as follows for the years ended September 30:

	2025	2024
Funds held in trust, beginning of year	$ 2,609,707	$ 3,380,209
Grant funds received	5,500,000	688,290
Grant funds disbursed		(1,538,903)
Grant and administrative fees	(707,200)	
Interest income	52,413	80,111
Funds held in trust, end of year	$ 7,454,920	$ 2,609,707

Note 4 - Investments:

Investments consisted of the following at September 30:

	2025	2024
Cash and cash equivalents	$ 9,428,642	$ 22,638,989
Mutual and exchange traded funds	15,434,885	13,940,051
Fixed income	19,044,031	7,291,292
Mortgage pool, collateralized mortgage obligations, and asset backed securities	1,462,001	1,619,476
Privately-held stock	579,486	580,361
	$ 45,949,045	$ 46,070,169

The Organization's investments are made in accordance with an investment policy that has been approved by the Board of Directors. The Finance Committee monitors the investment strategy and portfolio performance on an ongoing basis and provides regular updates to the Board of Directors.

Net investment income, consisted of the following for the years ended September 30:

	2025	2024
Interest and dividends from investments	$ 1,835,391	$ 1,400,868
Management fees	(38,958)	(37,240)
Net realized and unrealized gain	1,702,428	3,400,112
	$ 3,498,861	$ 4,763,740

The Organization maintains the following loan fund balances in cash and cash equivalents and investments allocated for the following purposes at September 30:

	2025	2024
Undisbursed to closed loans (Note 6)	$ 7,678,205	$ 4,563,065
Committed loans (Note 6)	4,875,000	1,200,000
Liquidity reserves	3,000,000	3,000,000
Available for lending	24,663,292	43,616,928
	$ 40,216,497	$ 52,379,993

	2025	2024
Cash and cash equivalents	$ 6,722,304	$ 15,436,624
Investments	33,494,193	36,943,369
	$ 40,216,497	$ 52,379,993

Note 5 - Fair Value of Measurements:

The table below summarizes the Organization's assets measured at fair value on a recurring basis at September 30, 2025:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 9,428,642			$ 9,428,642
Mutual and exchange-traded funds	15,434,885			15,434,885
Fixed income		$ 19,044,031		19,044,031
Mortgage pools, collateralized mortgage, obligation and assets backed securities		1,462,001		1,462,001
Privately held stock			$ 579,486	579,486
	24,863,527	20,506,032	579,486	45,949,045
Funds held in trust:				
Money market funds (Note 3)	7,454,920			7,454,920
Total assets held at fair value	$ 32,318,447	$ 20,506,032	$ 579,486	$ 53,403,965

The table below summarizes the Organization's assets measured at fair value on a recurring basis at September 30, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 22,638,989			$ 22,638,989
Mutual and exchange-traded funds	13,940,051			13,940,051
Fixed income		$ 7,291,292		7,291,292
Mortgage pools, collateralized mortgage, obligation and assets backed securities		1,619,476		1,619,476
Privately held stock			$ 580,361	580,361
	36,579,040	8,910,768	580,361	46,070,169
Funds held in trust:				
Money market funds (Note 3)	2,609,707			2,609,707
Total assets held at fair value	$ 39,188,747	$ 8,910,768	$ 580,361	$ 48,679,876

The fair value schedule above does not include certificates of deposit. Certificates of deposit are excluded from fair value measurements as they do not meet the definition of an equity security.

Note 6 - Loans Receivable, Net of Allowances:

Loans receivable were as follows at September 30:

	2025	2024
Affordable/supportive housing	$ 38,515,122	$ 23,805,741
Community facilities	69,645,154	54,583,213
Food financing	4,995,188	6,666,758
Economic development	7,993,366	7,787,769
Total loans receivable	121,148,830	92,843,481
Less allowance for credit losses	(20,361,189)	(8,809,387)
	100,787,641	84,034,094
Less current portion, net of allowance for credit losses	(31,343,837)	(21,308,562)
Long-term portion, net of allowance for credit losses	$ 69,443,804	$ 62,725,532

At September 30, 2025, loans receivables, net of allowance for credit losses, consisted of secured and unsecured notes with interest rates ranging from 0% to 7.7%.

Annual maturities of notes receivable are as follows:

Year Ending September 30,	
2026	$ 31,343,837
2027	16,001,144
2028	18,370,901
2029	5,194,188
2030	16,702,621
Thereafter	33,536,139
	$ 121,148,830

Loan Origination/Risk Management

The Organization has certain lending policies and procedures in place designed to provide financing capital within an acceptable level of risk. Management reviews these policies and procedures on a regular basis. The Loan Committee recommends and the Board of Directors approves any changes to these policies. A reporting system supplements the review process by providing management and Board members with frequent reports related to loan quality, concentrations of credit, loan delinquencies, and non-performing and potential problem loans. Diversification in the loan portfolio is a means of managing risk associated with fluctuations in economic conditions.

Age Analysis of Past Due Loans

The following table represents an aging of loans as of September 30:

	2025	2024
30-59 days past due	$ 7,940,586	
60-89 days past due		$ 949,236
Non-accrual	488,896	
Total past due	8,429,482	949,236
Current	112,719,348	91,894,245
Total loans	$ 121,148,830	$ 92,843,481

Credit Quality

As part of the on-going monitoring of the credit quality of the Organization's portfolio, management classifies loans into risk categories based on relevant information about the ability of borrowers to service their debt and comply with various terms of their loan agreements. The Organization considers current financial information, historical payment experience, collateral value, credit documentation, public information, and current economic trends. Loans are reviewed at least quarterly and more frequently, if necessary, in order to monitor and adjust the loan's risk profile.

The following definitions summarize the basis for each classification:

Strong/Acceptable – The loan is adequately protected by the current worth and paying capacity of the borrower (or guarantors, if any) or by the fair value, less cost to acquire and sell, of any collateral in a timely manner.

Watch – A loan that has potential weaknesses and requires closer monitoring by management. If left uncorrected, performance may result in deterioration of the repayment prospects for the loan or in the Organization's credit position at some future date. Watch loans are not adversely classified and do not expose the Organization to sufficient risk to warrant adverse classification.

Special Mention – A loan with the minimum acceptable level of risk where closer monitoring is necessary and restructuring is likely. Special Mention loans are adversely classified with a reasonable risk of some loss or longer repayment horizon than initially intended.

Substandard – A loan with definite weaknesses that puts repayment at risk. These loans may be inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. These loans are characterized by the possibility that the Organization will sustain some loss of principal and/or interest if the risks are not addressed.

Doubtful – A loan that has weaknesses similar to the substandard category with the added risk that the weaknesses make collection in full, on the basis of currently known facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely likely, but it is not identified presently due to pending factors.

The following table summarizes the loan portfolio and the internally assigned credit quality ratings at September 30:

	2025	2024
Strong/acceptable	$ 51,963,882	$ 65,336,761
Watch	49,828,058	23,359,498
Special Mention	3,684,460	
Substandard	3,889,996	4,147,222
Doubtful	11,782,434	
Total loans	$ 121,148,830	$ 92,843,481

Allowance for Credit Losses

Changes in the allowance for credit losses were as follows for the years ended September 30:

	2025	2024
Beginning balance	$ 8,809,387	$ 7,679,573
Charge-offs	(942,247)	(5,267,057)
Provision for allowance for credit losses	12,494,049	6,396,871
Ending balance	$ 20,361,189	$ 8,809,387

During the year ended September 30, 2025, charge-offs of $942,247 consist of loan write-offs of $465,000, while the remaining $477,247 was offset with the reserve.

During the year ended September 30, 2024, charge-offs of $5,267,057 consist of loan write-offs of $4,090,881, while the remaining $1,176,176 was offset with the reserve.

The Organization expects significant recovery on loans due to state guarantees. The Organization will recognize recoveries as income as they materialize.

Troubled Debt Restructures

A troubled debt restructure is a loan where the Organization granted a concession that would not otherwise have been considered but for the borrower's financial difficulties. Once a loan is modified as a troubled debt restructure it remains in that category until such time as it is repaid or charged-off.

During the years ended September 30, 2025 and 2024, the Organization restructured $190,500 and $0, respectively, in troubled debt. As of September 30, 2025 and 2024, the balance of all loans restructured during or prior to fiscal years 2025 and 2024 was $187,315 and $544,706, respectively.

During 2025 and 2024, the Organization received $357,391 and $1,332,009, respectively, in repayment on loans that had been restructured in the current or a prior fiscal year.

Commitments to Extend Credit

In the normal course of business, to meet the financing needs of its borrowers, the Organization is a party to commitments to extend credit. Those instruments involve, to varying degrees, elements of credit, liquidity and interest rate risk in excess of the amount recognized in the accompanying statement of financial position. The Organization uses the same credit policies in making commitments to extend credit as it does for extension of credits reflected on the statement of financial position. The Organization's exposure to credit loss in the event of nonperformance by the other party for commitments to extend credit is represented by the contractual amount of those instruments. Commitments to extend credit include new loan commitments, line of credit and construction loan agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since some of the commitments may expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

At September 30, 2025 and 2024, the Organization had a total of $12,553,205 and $5,763,065, respectively, in loan commitments that had not yet been disbursed. These undisbursed loan commitments included 5 revolving lines of credit with total undrawn balances of $2,271,104 for 2025 and $979,500 for 2024. It also included 14 pre-development, acquisition, construction or equipment loans (or interest reserves related thereto) totaling $5,407,101 for 2025 and $3,583,565 for 2024. See Note 4.

The Organization evaluates each borrower's creditworthiness on a case-by-case basis. The amount of collateral obtained, if any, is based on management's credit evaluation of the borrower.

Note 7 - Property Held For Sale:

During the year ended September 30, 2023, the Organization executed a deed-in-lieu of foreclosure on a property due to the insolvency of an unrelated entity (the Project), resulting in a loan write-off of $1,973,360. Additionally, a further loss of $750,000 was recognized on outstanding loans in the FreshWorks program. An offsetting $750,000 was also recognized as income, since the five FreshWorks lenders share in the loss and FreshWorks is not part of the general loan fund. Community Vision's share of this loss was $68,181 of which $26,144 was recovered after year end.

The Project involved a total loan of $6,100,000 which was reduced to $5,350,000, distributed among Community Vision and two other participating parties. An agreement was established among them to receive a prorated share of the proceeds upon the property's sale and settlement of outstanding costs paid by the Organization. The Organization is projected to receive approximately 49.18% of any proceeds after settling costs.

The loans described above were part of a larger, more complex transaction that also included New Markets Tax Credits. To safeguard the New Market Tax Credits (NMTC) associated with the Project's investor, the Organization established a wholly-owned LLC (3105 San Pablo LLC), to assume ownership of the property. This acquisition, completed on September 26, 2023, amounted to $2,427,899 was recorded as a capital contribution. As part of this portion of the transaction, the Organization also paid $1,279,711 to Community Vision Sub-CDE 21, LLC (CDE-21) to secure the NMTC's. The owner of CDE-21 has committed to adjusting the leveraged loan to the anticipated proceeds from the CDE at the conclusion of the NMTC's compliance period in December 2025, with the deposit reverting to the Organization at the conclusion of the compliance period.

As of September 30, 2025 and 2024, 3105 San Pablo LLC held a payable to the Organization that amounted to $1,723,568 and $1,482,559, respectively, and the related receivables and payables were eliminated for consolidation purposes. The organization is currently in the process of marketing this asset and expects to sell it in 2026.

Note 8 - Notes Payable:

Notes payable were as follows at September 30:

	2025	2024
Public and private foundations	$ 30,416,011	$ 29,791,862
Health system organizations	6,000,000	6,175,818
Financial institutions	41,125,000	36,525,000
Corporations and other organizations	5,428,788	5,975,118
Religious organizations	4,681,910	4,681,206
Individuals and trusts	19,375,024	20,187,118
Government sponsored enterprise	7,200,000	
	114,226,733	103,336,122
Less current portion	(13,915,146)	(15,438,152)
Notes payable, net of current portion	$ 100,311,587	$ 87,897,970

The Notes Payable balance includes subordinated promissory notes with a rolling term (maturity) feature that lenders are classifying as Equity Equivalent Investments (EQ2). If the EQ2 notes continue to comply with the requirements described in their respective agreements, the notes will retain the rolling term feature ranging from two to five years beyond their original maturity dates. The notes bear interest from 0% to 5.33% per annum and are unsecured and subordinate to all other liabilities. As of September 30, 2025 and 2024, the Organization had a total of $13,875,000 and $12,250,000, respectively, of subordinated promissory notes.

Annual maturities of notes payable are as follows:

Year Ending September 30,	
2026	$ 13,915,146
2027	25,786,851
2028	8,081,195
2029	27,313,671
2030	10,567,222
Thereafter	28,562,648
	$ 114,226,733

Certain loan agreements contain restrictive financial covenants that require, among other things, maintenance of minimum amounts and ratios of liquidity, net assets, net income, delinquent loans and loss reserves. There are also various reporting requirements. As of September 30, 2025 and 2024, the Organization was in compliance with all material financial covenants to which it was subject.

At September 30, 2025 and 2024, the Organization had a total of $25,000,000 and $44,000,000 of available and committed funds in the general loan pool that had not yet been borrowed.

Note 9 - Operating Leases:

As part of its acquisition of a deed-in-lieu of foreclosure (see Note 7) 3105 San Pablo, LLC assumed a 30-year parking lot lease on September 27, 2023. The monthly payment increases from approximately $3,000 at the beginning of the lease to approximately $6,300 at the end of the lease.

The Organization entered into a lease for its office facilities under a noncancellable operating lease, which expires on November 30, 2026. The monthly payment increases from $9,700 at the beginning of the lease to approximately $10,200 at the end of the lease.

Rental expense for the office and parking lot leases for the years ended September 30, 2025 and 2024 amounted to $298,817 and $287,745, respectively.

Maturities of the operating lease liability is as follows:

Year Ending September 30,	
2026	$ 161,369
2027	60,709
2028	41,430
2029	42,673
2030	43,953
Thereafter	1,078,855
Total lease payments	1,428,989
Less interest	(567,727)
Operating lease liability	$ 861,262

The weighted average remaining lease term as of September 30, 2025 was approximately 23 years. The weighted average discount rate as of September 30, 2025 was 4.9%.

Note 10 - Net Assets With Donor Restrictions:

Net assets with donor restrictions were available for the following purposes at September 30:

	2025	2024
Real Estate Solutions	$ 1,851,842	$ 915,950
Capital Solutions		20,729
Time restricted grants	3,318,333	4,833,333
	$ 5,170,175	$ 5,770,012

Net assets are released from donor restrictions by incurring expenditures satisfying the net assets with donor restriction purposes, or by occurrences of other events specified by donors. Net assets released from donor restrictions were as follows for the years ended September 30:

	2025	2024
Real Estate Solutions	$ 1,236,641	$ 882,218
Capital Solutions	20,729	355,938
Time restricted grants	3,015,000	2,800,000
	$ 4,272,370	$ 4,038,156

Note 11 - Availability of Financial Assets and Liquidity:

The Organization's financial assets available within one year for general expenditures were as follows:

Financial assets at September 30,	2025	2024
Cash and cash equivalents	$ 9,951,245	$ 22,965,954
Contributions receivable	1,625,000	460,000
Accrued interest and other receivables, net	1,023,051	654,546
Investments	45,949,045	46,070,169
Funds held in trust	7,454,920	2,609,707
Loans receivable, net	100,787,641	84,034,094
Program related investments, net	100,801	94,800
Total financial assets	166,891,703	156,889,270
Less amounts not available to be used within one year:		
Funds held in trust	(7,454,920)	(2,609,707)
Restricted cash for CE1	(39,330)	(10,799)
Loan and notes receivable — long-term, net	(69,443,804)	(62,725,532)
Program related investments — long-term, net	(100,801)	(94,800)
Illiquid investments	(579,486)	(580,361)
Net assets with purpose and time restrictions	(5,170,175)	(5,770,012)
Deferred revenue — cash received in advance	(644,520)	(3,705,583)
Board-designated reserve	(6,000,000)	(6,000,000)
Add net assets with purpose restrictions to be met in less than one year:		
Net assets with purpose and time restrictions	2,723,323	4,671,837
CDFI Fund Awards restricted for specific loans	570,000	1,001,396
Conditional grants and deferred revenue	87,815	41,000
	(86,051,898)	(75,782,561)
Financial assets available to meet cash needs for general expenditure and loan commitments within one year	$ 80,839,805	$ 81,106,709

Operating Liquidity

The Organization strives to maintain financial assets to meet 150 days of operating expenses (approximately $3,000,000). As part of its liquidity plan, excess cash is invested in short-term investments, including government credit, money market accounts and certificates of deposit. Certain financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the consolidated financial statements. There are also net assets without donor restrictions designated as an operating reserve by the Board of Directors, which could be undesignated by the Board of Directors and made available for general operations as needed.

Loan Fund Liquidity

The Organization fulfills loan commitments through repayments on current loans receivable and by deploying cash and cash equivalents as well as investments already dedicated to the Loan Fund (see Note 4). Accordingly, available cash and cash equivalents and investments are included in these liquidity calculations. The Organization also has special purpose funds for qualifying loans. Those funds are included as available in the liquidity calculation above as the Organization expects to make loans that fulfill those requirements in the coming year. In addition, the Organization manages loan fund liquidity by accessing undrawn credit facilities for lending when available (see Note 8) and membership in the Federal Home Loan Bank of San Francisco.

Note 12 - Retirement Plan:

The Organization's employees participate in a 403(b) defined contribution plan (the "Plan"). Employees are eligible to contribute to the Plan on their dates of hire. The Organization's contributions, which cover employees who complete four months of service, are discretionary. Employees' contributions are fully vested at all times, whereas the Organization's contributions vest over three years. The Organization contributed $261,118 and $210,395 for the years ended September 30, 2025 and 2024, respectively.

Note 13 - Related Party Transactions:

The Organization operates a revolving loan fund that provides socially motivated investors with an opportunity to be part of the Organization's mission of financing affordable housing, community facilities, small business enterprises, and vital human services. Qualified institutions and individuals invest in the form of fixed rate loans. The Organization aggregates these loans into a blind capital pool which the Organization uses to finance appropriate community and economic development projects.

One member of the Board of Directors chose to support the Organization's mission by lending money to the Organization's capital pool. Additionally, several Board members are affiliated with institutions that invest in the Organization's revolving loan pool. These loans are included in notes payable on the accompanying consolidated financial statements. These loans were accepted on terms that conform to the Organization's standard policies for accepting loans into the investment pool.

The total outstanding loans that were provided by Board members and institutions with which they are affiliated totaled $3,770,000 as of September 30, 2025 and 2024, respectively.

The loans extended by the Organization from the capital pool to finance appropriate community and economic development projects include loans to organizations that have connections with the members of the Board of Directors. These loans were made on terms that conform to the Organization's standard lending policies.

Such transactions are subject to the Organization's conflict of interest policy and each loan received or made by the Organization is reviewed in advance for any potential conflict of interest or legal issues. As such, Board members are required to disclose potential conflicts of interest annually and throughout the year as circumstances change. Board members are also required to recuse themselves from voting on transactions for which they may have such a conflict.

Note 14 - New Markets Tax Credit Fees:

As of September 30, 2025 and 2024, the Organization had received New Markets Tax Credit Program (Program) allocations totaling $218,000,000 (cumulatively), respectively. The Program is administered by the Community Development Financial Institutions (CDFI) Fund pursuant to Section 45D of the Internal Revenue Code. In accordance with the terms of the Program, the Organization formed 26 for-profit community development entities (collectively the CDE LLCs), 24 of which had been activated as of September 30, 2025 and 2024. Subsequent to year end, the Organization was awarded a New Markets Tax Credit of $75,000,000 for the Program.

Active CDEs as of September 30, 2025 and 2024:

Community Vision NMTC Sub-CDE 18, LLC
Community Vision NMTC Sub-CDE 19, LLC
Community Vision NMTC Sub-CDE 20, LLC
Community Vision NMTC Sub-CDE 21, LLC
Community Vision NMTC Sub-CDE 22, LLC
Community Vision NMTC Sub-CDE 23, LLC
Community Vision NMTC Sub-CDE 24, LLC

Community Vision NMTC Sub-CDE 25, LLC and Community Vision NMTC Sub-CDE 26, LLC were formed in 2021 for NMTC allocations, no activity was conducted during the year ended September 30, 2025 and 2024.

As of September 30, 2025 and 2024, Community Vision NMTC Sub-CDEs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 had been fully dissolved.

The CDE LLCs were formed as California limited liability companies in which the Loan Fund serves as the managing member with a 0.01% interest and unrelated investor members are regular members with a 99.99% interest. The Organization does not consolidate these entities due to the rights granted to the investor members as defined in the respective operating agreements. The investor members' rights overcome the presumption of control of the managing member.

As of September 30, 2025 and 2024, the total amount of the Organization's aggregated investment in all the CDE LLCs was $2,186 and $3,061, respectively. The fiscal year end for all the CDE LLCs is December 31, and each is subject to various compliance requirements, such as annual audits or compilations, once it has been activated. Below is a summary of the unaudited interim financial information for these companies for the interim nine-month periods ended September 30:

	2025	2024
Total Assets	$ 51,277,270	$ 60,098,699
Total Liabilities	$ 1,385,108	$ 1,417,254
Total Members' Equity	$ 49,892,162	$ 56,581,446
Total Revenue	$ 704,760	$ 722,625
Total Expenses	$ 439,833	$ 452,506
Total Net Income	$ 264,927	$ 270,119

The active CDE LLCs have made qualified low-income community investments (QLICIs) within the meaning of the NMTC programs and IRC Section 45D. The Loan Fund entered into agreements with the investor members who provided approximately $51,200,000 in cumulative qualified equity investments (QEIs) as of September 30, 2025 to make QLICIs from the active CDE LLCs. By making these QLICIs, the CDE LLCs enable investor members to claim approximately $26,527,800 of NMTC over a seven-year credit period. In connection with obtaining allocation, establishing the CDE LLCs, and making sub-allocation to the CDE LLCs, the Loan Fund did not earn any upfront fees in connection with obtaining allocation, establishing the CDE LLCs, and making sub-allocation to the CDE LLCs.

Terms of the agreements with the investor members require the Loan Fund to maintain certain covenants to avoid recapture of NMTC and possible reimbursement of a portion of upfront fees it has received. At September 30, 2025 and 2024, the Loan Fund is in compliance with all covenants that would cause a recapture of NMTC and management expects to maintain compliance throughout the seven-year life of each NMTC.

Note 15 - Credit Enhancements & Loan Guarantees:

The Organization serves as the executive for the California FreshWorks program (FreshWorks), a healthy food financing initiative that provides investment to improve healthy food access in California's low-income communities. Deploying capital via a network of lenders that have agreed to common mission guidelines and target geographies, FreshWorks provides credit enhancement in the form of loan participations and loan guarantees for eligible projects.

As of September 30, 2024, no additional participation loans will be funded under this program; however, the current participations will be retained until maturity.

A network lender can also apply for a loan guarantee for an eligible project for up to a maximum amount of $500,000 or 25% or the loan principal balance. These guarantees are administered by the Organization. Capital for the guarantees has been pledged by the Organization and The California Endowment in aggregate amounts limited to $1,750,000 and $500,000, respectively. In addition, The California Endowment has provided a $250,000 grant commitment that serves as a loss reserve for the loan guarantee program. Should a guarantee be called upon after the loss reserve grant is exhausted, the pro-rata shares of the amount to be funded by the Organization and The California Endowment are 77.78% and 22.22%, respectively.

To date the Organization has provided three loan guarantees to network lenders for a loan to a not-for-profit organization. As of September 30, 2025 and 2024, there were no outstanding guaranteed amounts. The Organization considers the guarantee to be part of its program activities. The loss reserve grant commitment noted above provides a reserve for this guarantee and the Organization does not consider an additional reserve necessary as of September 30, 2025 and 2024.

Community Vision Capital & Consulting

Consolidating Statement of Financial Position
(See Independent Auditors' Report on Supplementary Information)

September 30, 2025

	Community Vision	Credit Enhancement	3105 San Pablo, LLC	Eliminations	Consolidated
Assets					
Current Assets:					
Cash and cash equivalents	$ 9,911,915	$ 39,330			$ 9,951,245
Contributions receivable	1,625,000				1,625,000
Accrued interest and other receivables, net	3,219,411	2,239		$ (2,198,599)	1,023,051
Prepaid expenses and other assets	230,014				230,014
Investments (Note 4)	45,949,045				45,949,045
Funds held in trust (Note 3)	7,454,920				7,454,920
Loans receivable - current portion, net of allowance for credit loss (Note 6)	31,343,837				31,343,837
Total current assets	99,734,142	41,569		(2,198,599)	97,577,112
Loans Receivable - long-term portion, net of allowance for credit loss (Note 6)	68,304,822	1,138,982			69,443,804
Other Long Term Receivables (Note 7)	1,279,711				1,279,711
Program Related Investments - net of allowance (Note 2)	100,800				100,800
Right of Use Asset	129,285		$ 688,819		818,104
Property Held for Sale (Note 7)			2,427,899		2,427,899
Total assets	$ 169,548,760	$ 1,180,551	$ 3,116,718	$ (2,198,599)	$ 171,647,430
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued expenses	$ 1,164,634		$ 1,723,568	$ (1,723,568)	$ 1,164,634
Accrued interest payable	713,402				713,402
Deferred revenue and other liabilities	644,520				644,520
Funds held in trust (Note 3)	7,454,920				7,454,920
Notes payable - current portion (Note 8)	13,915,146				13,915,146
Total current liabilities	23,892,622	-	1,723,568	(1,723,568)	23,892,622
Operating lease liability	139,373		721,889		861,262
Deferred revenue and other liabilities, net of current portion					-
Notes Payable, net of current portion (Note 8)	99,647,635	$ 1,138,983		(475,031)	100,311,587
Total liabilities	123,679,630	1,138,983	2,445,457	(2,198,599)	125,065,471
Net Assets:					
Without donor restrictions:					
Board-designated reserve (Note 2)	6,000,000				6,000,000
Undesignated	34,698,955	41,568	671,261		35,411,784
Total without donor restrictions	40,698,955	41,568	671,261	-	41,411,784
With donor restrictions (Note 10)	5,170,175				5,170,175
Total net assets	45,869,130	41,568	671,261	-	46,581,959
Total liabilities and net assets	$ 169,548,760	$ 1,180,551	$ 3,116,718	$ (2,198,599)	$ 171,647,430

Community Vision Capital & Consulting

Consolidating Statement of Activities and Changes in Net Assets
(See Independent Auditors' Report on Supplementary Information)

Year Ended September 30, 2025

	Community Vision	Credit Enhancement 1, LLC	3105 San Pablo, LLC	Eliminations	Consolidated
Revenue and Support:					
New markets tax credit fees (Note 14)	$ 288,633				$ 288,633
Consulting and contract fees	271,473				271,473
Loan fees	475,499				475,499
Grants and contributions	3,933,937				3,933,937
Government contract revenue	5,663,195				5,663,195
Other income	445,316	$ 25,000			470,316
Interest income - notes receivable	5,810,735	29,567			5,840,302
Investment income, net (Note 4)	3,498,861				3,498,861
In-kind contributions	112,084				112,084
Total support and revenue	20,499,733	54,567	-	-	20,554,300
Expenses:					
Program services:					
Capital solutions	18,628,994	26,120	$ 274,079		18,929,193
New markets tax credits	156,778				156,778
Real estate solutions	1,381,774				1,381,774
Communications and impact	789,951				789,951
Capitalization	792,346				792,346
Total program services	21,749,843	26,120	274,079	-	22,050,042
Supporting services:					
Administration	846,623				846,623
Development	227,750				227,750
Total supporting services	1,074,373	-		-	1,074,373
Total expenses	22,824,216	26,120	274,079	-	23,124,415
Change in Net Assets	(2,324,483)	28,447	(274,079)		(2,570,115)
Net Assets, beginning of year	48,193,613	13,121	945,340		49,152,074
Net Assets, end of year	$ 45,869,130	$ 41,568	$ 671,261	$ -	$ 46,581,959