

**Northeastern Colorado Revolving Loan Fund  
(A Colorado Non-Profit Corporation)**

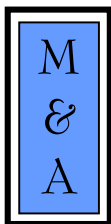
**Financial Statements  
December 31, 2025**

**Northeastern Colorado Revolving Loan Fund  
(A Colorado Non-Profit Corporation)**

**December 31, 2025**

**Table of Contents**

	<b>Page</b>
INDEPENDENT AUDITOR'S REPORT	1 - 3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12
Supplementary Information:	
Schedule of Expenses - Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis	13



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

---

WEB SITE: [www.McMAHANCPA.COM](http://www.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## INDEPENDENT AUDITOR'S REPORT

**Revolving Loan Fund Committee  
Northeastern Colorado Revolving Loan Fund  
Yuma, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Northeastern Colorado Revolving Loan Fund (the "Organization"), a Colorado non-profit corporation, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**NECRLF**  
**Yuma, Colorado**

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

Our objectives are to obtain reasonable assurance about whether the 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 U.S. 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 financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary comparison schedule on page 13 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**NECRLF**  
**Yuma, Colorado**

***Report on Summarized Comparative Information***

We have previously audited Northeastern Colorado Revolving Loan Fund December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**March 25, 2026**

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Financial Position**  
**December 31, 2025**  
**(With Comparative Balances For the Year Ended December 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	1,236,857	1,714,098
Investments	378,833	368,459
Loans receivable	585,260	560,449
Accrued interest receivable	14,590	15,211
<b>Total Current Assets</b>	<b>2,215,540</b>	<b>2,658,217</b>
<b>Non-Current Assets:</b>		
Loans receivable, net of allowance for credit loss of \$226,826 in 2025 and \$295,534 in 2024	2,964,100	2,375,767
Fixed assets, net	89,134	99,220
<b>Total Non-Current Assets</b>	<b>3,053,234</b>	<b>2,474,987</b>
<b>Total Assets</b>	<b>5,268,774</b>	<b>5,133,204</b>
<b>Liabilities:</b>		
Accrued compensation	20,441	20,441
<b>Total Liabilities</b>	<b>20,441</b>	<b>20,441</b>
<b>Net Assets:</b>		
Net assets	5,248,333	5,112,763
<b>Total Net Assets</b>	<b>5,248,333</b>	<b>5,112,763</b>
<b>Total Liabilities and Net Assets</b>	<b>5,268,774</b>	<b>5,133,204</b>

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

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Activities and Change in Net Assets**  
**For the Year Ended December 31, 2025**  
**(With Comparative Amounts For the Year Ended December 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Revolving loan grant	369	103,865
Loan administration grant	-	5,058
Loan fees and finance charges	32,912	17,939
Interest - Cash	36,843	28,863
Interest - Loans	236,048	249,716
Bad debt recovery	-	10
Other	-	18,112
<b>Total Revenues</b>	<b>306,172</b>	<b>423,563</b>
 <b>Expenses:</b>		
Program service expenses	108,664	348,834
Management and general expenses	61,938	72,268
<b>Total Expenses</b>	<b>170,602</b>	<b>421,102</b>
 <b>Change in Net Assets</b>	 135,570	 2,461
 <b>Net Assets - Beginning of Year</b>	 5,112,763	 5,110,302
 <b>Net Assets - End of Year</b>	 5,248,333	 5,112,763

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

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actuals For the Year Ended December 31, 2024)**

	2025		2024	
	Program Services	Management and General	Total	Total
Compensation	91,712	22,928	114,640	138,122
Fringe benefits	46,503	11,626	58,129	66,044
Tax preparation and audit	-	8,000	8,000	8,000
Contract Labor	2,400	600	3,000	15,000
Dues	60	15	75	40
Filing fees	765	-	765	746
Legal	-	-	-	1,448
Loan expense	3,757	-	3,757	5,569
Marketing	2,335	-	2,335	2,168
Bank service charges	175	-	175	121
Office expense, rent and utilities	8,056	2,014	10,070	10,067
Postage	504	126	630	671
Publications and newspapers	-	-	-	498
Repairs	560	140	700	693
Supplies and equipment	3,907	977	4,884	3,452
Telephone	1,601	400	2,001	2,423
Travel	878	220	1,098	655
Vehicle expense	3,118	780	3,898	3,993
Workman's compensation	64	16	80	108
Miscellaneous and board expense	-	11,353	11,353	12,979
Credit losses (recovery)	(68,708)	-	(68,708)	135,069
Depreciation	10,976	2,744	13,720	13,236
<b>Total Expenses</b>	<b>108,664</b>	<b>61,938</b>	<b>170,602</b>	<b>421,102</b>
Percentages	<u>64%</u>	<u>36%</u>	<u>100%</u>	

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

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2025**  
**(With Comparative Amounts For the Year Ended December 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities:</b>		
Cash received from loan principal and interest	1,072,745	1,462,634
Cash received from grants	369	108,923
Cash received from bad debt recovery	-	10
Cash received from interest on deposits	26,469	31,634
Other cash receipts	-	18,112
Cash paid for goods and services	(52,820)	(68,631)
Cash paid for employees	(172,770)	(215,118)
Cash loaned to borrowers	(1,347,600)	(729,150)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(473,607)</b>	<b>608,414</b>
<b>Cash Flows From Investing Activities:</b>		
Cash paid for purchase of fixed assets	(3,634)	(63,276)
Cash paid for purchase of investments	-	(13,456)
<b>Net Cash (Used) by Investing Activities</b>	<b>(3,634)</b>	<b>(76,732)</b>
<b>Net Change in Cash</b>	(477,241)	531,682
<b>Cash - Beginning of Year</b>	1,714,098	1,182,416
<b>Cash - End of Year</b>	1,236,857	1,714,098
<b>Reconciliation of Change in Net Assets to Net Cash (Used) by Operating Activities:</b>		
<b>Change in Net Assets</b>	135,570	2,461
<b>Adjustments to reconcile to net cash provided (used) by operating activities:</b>		
Bad debt	(68,708)	135,069
Depreciation	13,720	13,236
Accrued interest on investments	(10,374)	-
(Increase) decrease in loans receivable, net	(544,436)	465,829
(Increase) decrease in interest receivable	621	-
(Gain) or loss on disposal of fixed asset	-	2,771
Increase (decrease) in accrued liabilities	-	(10,952)
<b>Total Adjustments</b>	<b>(609,177)</b>	<b>605,953</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(473,607)</b>	<b>608,414</b>

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

**Northeastern Colorado Revolving Loan Fund  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
December 31, 2025**

**1. Organization**

Northeastern Colorado Revolving Loan Fund (“NCRLF”) is a revolving loan fund as defined under U.S. Department of Housing and Urban Development - Community Development Block Grant (“CDBG”) Program regulations. NCRLF is administered at the State level by the Colorado Department of Local Affairs.

NCRLF was established to administer CDBG funds for the purpose of increasing local employment by providing established or new area businesses with low-interest loans.

**2. Summary of Significant Accounting Policies**

**A. Financial Statement Presentation**

NCRLF reports its financial statements in accordance with FASB Accounting Standards Codification Topic 958, *Not-for-Profit Organizations* (“ASC Topic 958”), formerly Statement of Financial Accounting Standards No. 117.

**B. Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

**C. Cash and Cash Equivalents**

NCRLF considers all checking and savings accounts to be cash equivalents for the purposes of the Statement of Cash Flows since all funds are highly liquid.

**D. Investments**

NCRLF has invested certain funds in certificates of deposit, which are classified as trading for financial statement presentation purposes. Accordingly, these securities are reported on these financial statements at fair value, and all realized and unrealized gains and losses are included in current period earnings.

**E. Allowance for Credit Losses**

NCRLF uses the allowance method for recognition of credit losses, whereby an allowance for possible credit loss is established when collection becomes doubtful. The allowance is based on the loss rate methodology to determine historical credit losses. The rate loss rate method estimate is derived from historical write-offs as a percentage of average accounts receivable. At December 31, 2025, an allowance in the amount of \$226,826 was reported.

**F. Fixed Assets**

Furniture, fixtures and computer equipment that are over \$1,000 are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. NCRLF reported \$13,720 of depreciation expense during 2025.

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**G. Income Taxes**

NCRLF is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is thus exempt from Federal and State income taxes on income which is directly related to its organizational purpose. The Federal information returns of the NCRLF are subject to examination by the Internal Revenue Service. NCRLF is no longer subject to examination for tax years prior to 2022.

**H. Use of Estimates**

The preparation of financial statements to conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**I. Method Used for Allocation of Expenses**

The financial statements do not report categories of expenses attributable to one or more program or supporting functions. Expenses are categorized as supporting unless directly related to loan administration.

**J. Net Assets**

All net assets, revenues, gains, and losses are restricted for the loan program and administration.

**K. Comparative Information**

The financial statements include certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with NCRLF's financial statements for the year ended December 31, 2024, from which the comparative totals were derived.

**L. Subsequent Events**

Management has evaluated subsequent events through the date of the auditor's report, which is also the date these financial statements were available to be issued.

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(Continued)**

**3. Cash and Cash Equivalents**

NCRLF's cash deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of NCRLF's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. At December 31, 2025, the carrying amount of NCRLF's demand deposits was \$1,236,857.

At December 31, 2025, NCRLF had the following investments:

	<b>Total</b>
Certificate of deposit:	
Maturing 2026, interest at 3.95% p.a.	\$ 99,113
Maturing 2026, interest at 3.69% p.a.	279,720
	<b>\$ 378,833</b>

At December 31, 2025, NCRLF did not have any investments requiring fair value measurement.

**4. Liquidity and Availability of Resources**

None of NCRLF's financial assets are subject to grantor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. NCRLF's investment policy and liquidity management is structured around short-term investments. The financial assets available within one year from December 31, 2025 for general expenditures are as follows:

Cash and cash equivalents	\$ 1,236,857
Current loans and interest receivable	599,850
Short-term investments	378,833
	<b>\$ 2,215,540</b>

**5. Loans Receivable**

Loans receivable consists of the following:

	<b>2025</b>	<b>2024</b>
Loans receivable - Current	\$ 585,260	560,449
Loans receivable - Long-term	3,190,926	2,671,301
Less allowance for credit losses	(226,826)	(295,534)
	<b>\$ 3,549,360</b>	<b>2,936,216</b>

The recorded loans that were delinquent is as follows. NCRLF considers loans to be delinquent if the required principal and interest payment has not been remitted prior to the due date, as detailed in the loan agreement.

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(Continued)**

**5. Loans Receivable (continued)**

	<u>2025</u>	<u>2024</u>
Less than 30 days past due	\$ 5,370	\$ 7,224
30-60 days past due	1,981	4,314
60-90 days past due	1,849	3,975
90-120 days past due	1,087	4,000
More than 120 days past due	21,192	79,491
	<u>\$ 31,479</u>	<u>99,004</u>

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

During 2025, NCRLF had the following activity in allowance for credit losses:

Balance at December 31, 2024	\$ 295,534
Add: current provision for bad debt	(68,708)
Less: write-downs charged against allowance	-
Balance at December 31, 2025	<u>\$ 226,826</u>

**6. Fixed Assets**

Fixed asset balances at December 31, 2025 were as follows:

	<u>Dec. 31/25</u>
Buildings	\$ 119,908
Improvements	62,953
Equipment	41,619
Total cost	<u>224,480</u>
Less: Accumulated depreciation	<u>(135,346)</u>
Fixed assets, net	<u>\$ 89,134</u>

Depreciation for the year ended December 31, 2025 was \$13,720.

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(Continued)**

**7. Pension Plan**

**A. Defined Contribution Plan**

Employees may participate in NCRLF's 401(a) defined contribution plan. NCRLF is a member of the Colorado County Officials and Employees Retirement Association. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account plus the returns earned on investments of those contributions.

Eligible employees contribute five percent (5%) of their base pay, which is matched by NCRLF. The plan has a five (5) year vesting period and is distributed upon the employee's termination or retirement.

As of December 31, 2025, two of NCRLF's employees elected to participate in the defined contribution plan. For the year ended December 31, 2025, NCRLF's employer contributions were \$5,732, which represented 5% of covered payroll. NCRLF's total and covered payroll for the year ended December 31, 2025 was \$114,640.

**B. Deferred Compensation Plan**

Employees may participate in NCRLF's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants.

NCRLF has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. NCRLF is neither the trustee nor the administrator of the plan.

**8. Other Employee Benefits**

NCRLF's employees may participate in Yuma County's cafeteria plan. The County offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, and health expense reimbursement. No cost is recognized, as the plan is a salary reduction plan.

**Northeastern Colorado Revolving Loan Fund**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Expenses - Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actuals For the Year Ended December 31, 2024)**

	2025		Variance Positive (Negative)	2024
	Budget (Unaudited)	Actual		Actual
Compensation	114,924	114,640	284	138,122
Fringe benefits	64,128	58,131	5,997	60,677
Tax preparation and audit	8,000	8,000	-	8,000
Contract Labor	3,000	3,000	-	15,000
Dues	100	75	25	40
Filing fees	1,400	765	635	746
Legal	15,000	-	15,000	1,448
Loan expense	2,300	3,757	(1,457)	5,569
Marketing	2,500	2,335	165	2,168
Debit memos	150	175	(25)	121
Office expense, rent and utilities	11,250	10,070	1,180	10,067
Postage	800	630	170	671
Publications and newspapers	800	-	800	498
Repairs	1,200	700	500	693
Supplies and equipment	5,500	4,884	616	3,452
Telephone	2,300	2,001	299	2,423
Travel	2,500	1,098	1,402	655
Vehicle expense	7,000	3,898	3,102	3,993
Workman's compensation	125	80	45	108
Miscellaneous and board expense	13,875	11,353	2,522	12,979
Capital expense	-	3,634	(3,634)	63,276
<b>Total Expenses - Budget-Basis</b>	<b>256,852</b>	<b>229,226</b>	<b>27,626</b>	<b>330,706</b>
<b>Reconciliation to GAAP Basis:</b>				
Capitalized expense		(3,634)		(63,276)
Credit losses (recovery)		(68,708)		135,069
Depreciation		13,720		13,236
Accrued compensation		(2)		5,367
<b>Total Expenses - GAAP Basis</b>		<b>170,602</b>		<b>421,102</b>

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