



Now Serving lunches
Tuesday thru Saturday 11^{am} -
Soup of the day 3rd pl 1st
Sandwiches - Turkey or Ham 5th
(come with chips & potatoes)
Combo 1st 9th 1st



impact

Community First Fund
2013 annual report

impacting communities through the clarity of our mission



Community First Fund

2013

..... dear friends

Vision and Mission Statement

Our vision is a vibrant and diverse community where individuals prosper and are free from poverty and discrimination.

Our mission is to create sustainable prosperity for low wealth communities and individuals, especially Persons of Color and women, by aligning capital, knowledge and advocacy to advance business ownership, housing and community development in the communities we serve.

We are proud to report that Community First Fund had a strong year in 2013. In April we were selected by the US Treasury Department to participate in the New Markets Tax Credit program, which provides tax incentives to private investors that support community development projects benefiting low income communities. Earlier in the year we were selected as a partner in Goldman Sachs 10,000 Small Businesses Initiative, which supports loans and education for growth-oriented businesses. Combined, these two programs bring \$20 million of new resources into the region.

In the past year we made 110 loans totaling \$9.5 million, a record for Community First Fund. These loans help to start and grow businesses, assist in creating affordable housing for families, give business owners an opportunity to purchase their business property and help social service agencies deliver services.

We remain committed to align capital with justice for low-income communities and low-wealth individuals, so we may increase opportunities for economic prosperity for all. We appreciate all of the contributors and investors that help us meet our mission.

Daniel Betancourt
President and CEO

R. Eric Menzer
Chairman, Board of Directors

Pictured on front cover: Nora and Ed Proctor, Community First Fund clients and owners of P&R Baked Goods in Harrisburg City

Community First Fund milestones



Pictured above left: Community First Fund client, Joanne Ekeledo owner of Grace Manor Bed & Breakfast located in York City.

- Community First Fund received a \$15 million New Markets Tax Credit allocation from the US Treasury Department CDFI Fund
- Community First Fund received a \$5 million investment for its loan fund from the Goldman Sachs 10,000 Small Businesses Initiative
- Community First Fund had a record year in lending with \$9.5 million in loans closed
- Daniel Betancourt, President and CEO, was named to the newly formed Board for Lancaster City's Reinvestment and Improvement Zone (CRIZ)
- Joan Brodhead, Senior Vice President and COO, led more than 30 CDFIs from across the nation during OFN's CDFI Advocacy Day, educating legislators in Washington DC about the need for resources directed to low-income communities
- Pam Woodell, Manager of the New Markets Tax Credit Program, presented at Community First Fund's New Markets Tax Credit forum, held in June, to educate regional stakeholders about opportunities in the program
- Jim Buerger, Chief Lending Officer presented at the Philadelphia Federal Reserve Conference in Reading and at the annual Pennsylvania State Economic Development Council seminar in Allentown
- Community First Fund received new investments from Goldman Sachs Bank, I-Lead Charter School, Metro Bank, Mid Penn Bank, Royal Bank America, Susquehanna Bank, Wells Fargo Bank and Erika Lauffer. We received new equity capital from The James Hale Steinman Foundation, The John Frederick Steinman Foundation, The Wyomissing Foundation, The Pennsylvania Department of Community and Economic Development, and the U.S. Treasury Department's CDFI Fund

Impacting Your Community

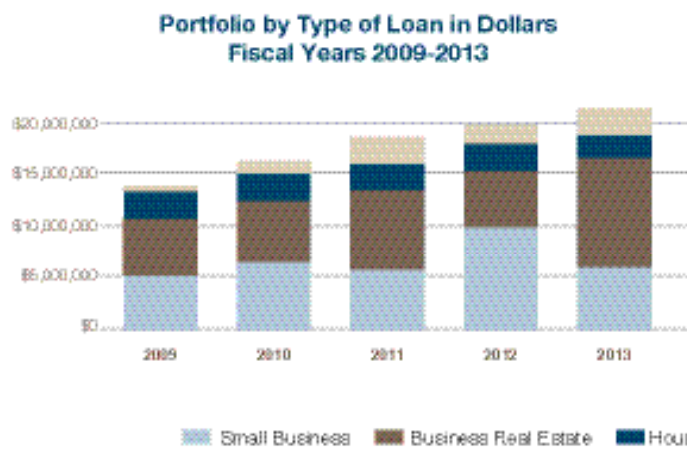
Since 1992 . . . \$60,000,000 Financed – 1,140 Loans Made

- 80% of loans made to low income individuals and made in low-income communities
- 4,723 jobs created and retained
- 758 units of housing financed in low-wealth communities
- 46% of loans made to Persons of Color
- \$10 million in loans made to community social service organizations
- 35% of loans made to women-owned businesses
- 1.9 million square feet of real estate acquired and rehabilitated
- 3,768 children enrolled in child care centers we financed
- 98% of all loans have been successfully repaid

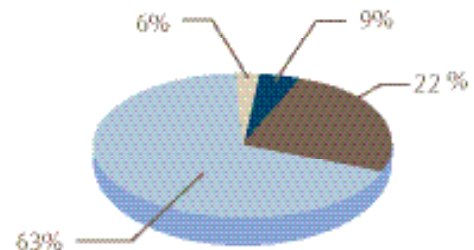
Effecting Sustainable Communities impacting livelihoods

During fiscal year 2013, we made 110 loans totaling \$9,504,203, which was a forty-one percent increase in activity over last year, bringing the total loans in the fund to 330, with \$22,100,000 outstanding. The loans are made throughout our 13-county region to business owners, housing developers and community organizations that are improving the economic health of their neighborhoods. We are committed to investing capital in communities that need it the most, especially

the cities and towns that face significant challenges with poverty and unemployment. Our loans are made to a diverse array of businesses, including local pharmacies, real estate development firms, construction companies, restaurants, bakeries, funeral homes and manufacturing firms. We work with social service agencies that support childcare, healthcare and education for low-wealth families. The charts below reflect the type of loans currently in our portfolio.



**Portfolio of \$22.1 Million by Type of Loan
330 Total Loans Outstanding as of June 30, 2013**



In keeping with our mission, we have made over 80% of the loans to low-wealth entrepreneurs and low-income communities. During fiscal year 2013, thirty-five percent of the loans were made to Persons of Color and

thirty-two percent of the funds went to women-owned businesses. Over 80% were made to businesses that were expanding and growing in the communities where economic opportunity and job creation is greatly needed. In the past five years we have provided 1,500 business owners with advice on how to start and manage their business. During fiscal year 2013, our Women's Business Center, which was established to develop more knowledgeable business owners, held training classes, workshops and networking sessions attended by more than 450 emerging entrepreneurs.



Pictured above: Deborah Apostolopoulos, Community First Fund client and owner of Lancaster Trophy House located in Lancaster City.

Dream Shapers and Community Makers



Pictured above: Students from the I-LEAD Charter School, a Community First Fund financed project located in the City of Reading.

Entrepreneurs Nora and Ed Proctor, featured on our front cover, are the owners of P&R Baked Goods, located in Harrisburg City. Ed's famous Sweet Potato Pie was such a success they needed capital from Community First Fund to expand into a new location. Business owners like the Proctors are the reason Community First Fund helped to create and retain over 600 jobs during fiscal year 2013, for individuals living and working in the region.

Joanne Ekeledo, the owner of Grace Manor Bed and Breakfast in York City, featured on page three, obtained capital from Community First Fund when she decided to start the business she always dreamed of owning. Joanne named the B&B after her Grandmother, who was a role model for hospitality.

We work with individuals committed to their community, many of whom are carrying on the family business. Open for fifty years, Lancaster Trophy House's owner Deb Apostolopoulos, shown on the previous page, needed additional space, so she moved to Prince Street in Lancaster. The new location has given them an opportunity to expand their showroom and add new products.

We also support numerous community-based nonprofit organizations, such as the I-LEAD Charter School in Reading, shown above. I-LEAD has over 200 high school students enrolled. Our loans helped the school start and expand. Students, many of whom previously dropped-out of the school system, are now graduating and moving on to college and new jobs.

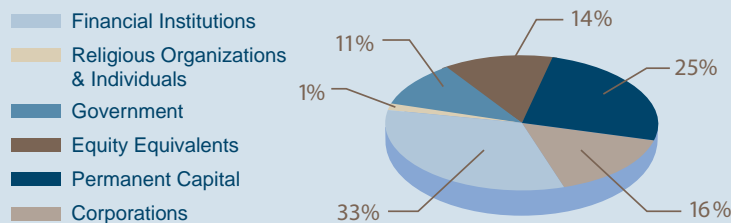
Financial Outlook

2013 Highlights

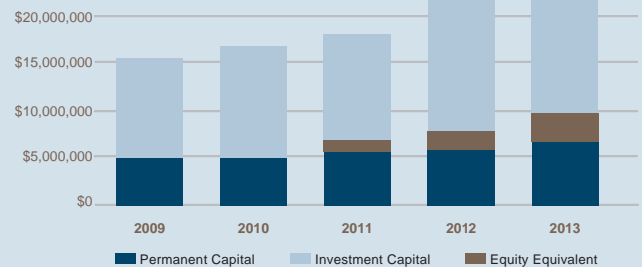
During Fiscal Year 2013 we maintained our strong performance and financial health. At the end of the fiscal year, total assets grew almost 12%, reaching \$26.8 million. The loan portfolio increased to \$22 million, reflecting a 16% increase over the prior fiscal year end. During this fiscal year we limited net loan losses to 0.83% of the outstanding portfolio.

The net assets level of \$6.3 million as of fiscal year end is a 14% increase over the end of fiscal year 2012. Net assets were 23% of total assets, ensuring resources for continued growth, and reserves for the protection of investors. We experienced a 19% increase in total revenue and maintain effective expense control. Community First Fund's self-sufficiency ratio at June 30, 2013 was 65%. This self-sufficiency measurement helps to ensure that Community First Fund maintains its ability to deliver loan products and other services to our customers.

FY13 Financing Capital By Source
Total Financing, \$25.1 Million



Financing Capital Growth



Financial Statement

as of June 30

FINANCIAL POSITION DATA

| | 2011 | 2012 | 2013 |
|---|--------------|--------------|--------------|
| Total Assets | \$20,161,371 | \$23,718,429 | \$26,884,669 |
| Total Liabilities | \$14,824,140 | \$18,201,384 | \$20,574,618 |
| Total Net Assets | \$5,337,231 | \$5,517,045 | \$6,310,051 |
| Total Liabilities and Net Assets | \$20,161,371 | \$23,718,429 | \$26,884,669 |

STATEMENT OF ACTIVITIES DATA

| | | | |
|-----------------------|-------------|-------------|-------------|
| Total Income | \$3,382,123 | \$3,006,876 | \$3,590,017 |
| Total Expenses | \$2,995,032 | \$2,827,062 | \$2,797,011 |

CHANGE IN NET ASSETS

| | | | |
|--|-----------|-----------|-----------|
| | \$387,091 | \$179,814 | \$793,006 |
|--|-----------|-----------|-----------|

Thank you to our many supporters.

Benefactors— Permanent Loan Capital

Bank Of America
Louis J. Appell
Daniel Betancourt
David and Anne Bushnell
Christ Church United Church of Christ
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Team Pennsylvania Foundation
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U.S. Department of Health and Human Services
U.S. Treasury Department
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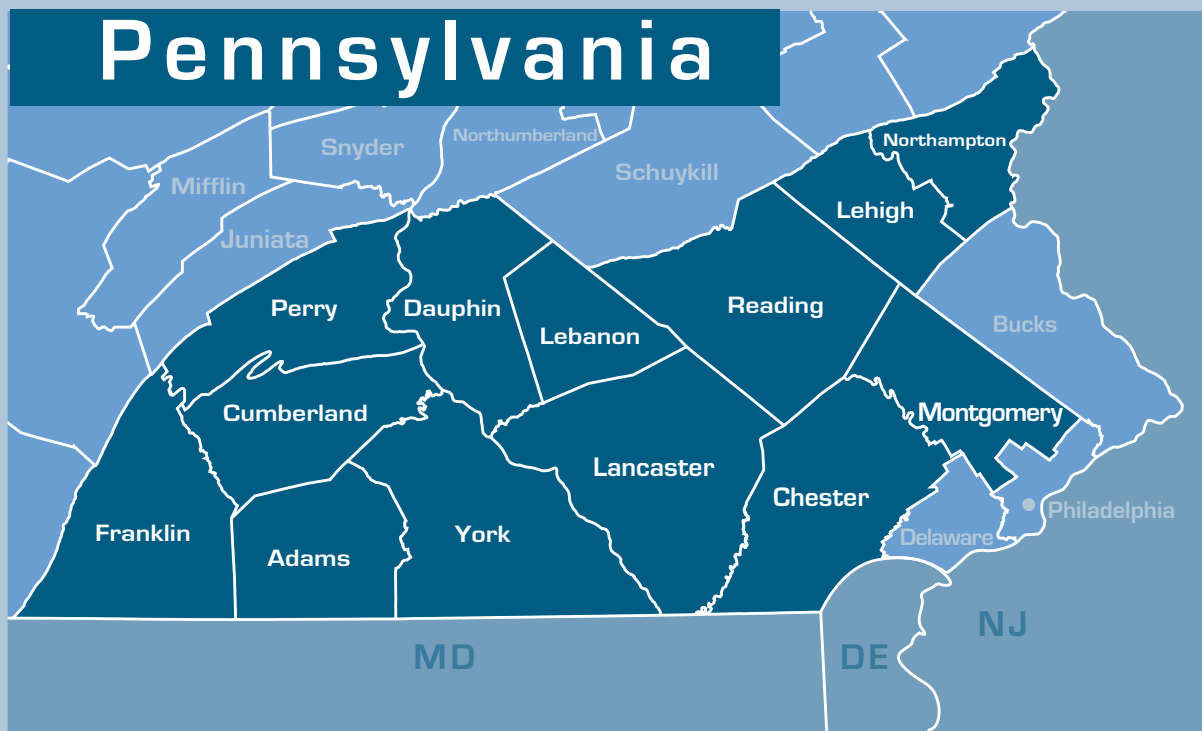
* Five-year Consecutive Donor

** Ten-year Consecutive Donor

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Impacting Our Region



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717-393-2351

Capital Region
717-920-1520

York and Adams Region
717-848-3863

Berks and Lehigh Region
610-685-4940



Community First Fund

www.commfirstfund.org

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* Term ended 2/28/2013