OPPORTUNITY
everyone everywhere everyday

Community First Fund
2014 Annual Report
Dear Friends:

We are proud to present our Community First Fund 2014 Annual Report. Community First Fund maintained strong financing activity in Fiscal Year 2014, closing 113 loans and investments for $24.5 million. These transactions leveraged an additional $23 million into local projects and created and retained more than 1,100 jobs. The organization maintained strong performance and financial health in FY 2014 showing increases in our assets, loan portfolio and revenue over the previous fiscal year.

In FY 2014, Community First closed its first New Markets Tax Credit investments. The federal NMTC program encourages private investors to support community development projects in low income communities. Community First invested its allocation of $15 million in projects in Lancaster, York and Reading. Also this year, Community First conducted the most comprehensive Client Survey in its history, showing for the first time the long term impact of our lending and technical assistance activities.

Most importantly this year, Community First Fund strengthened its resolve to be available for clients like Armando Martinez-Gonzalez, Erick Towles, Jennifer Schreiber and Vanessa DeLisio and the York Academy Regional Charter School, helping them take advantage of opportunities to start up and grow their businesses without barriers to the resources they need for success.

We are grateful for the support you provide that allows us to live and strengthen our mission every day.

Daniel Betancourt
President and CEO

R. Eric Menzer
Chairman, Board of Directors

Pictured on the front cover: Erick Towles, Community First Fund client and owner of E.T. Electric.
Community First Fund made 113 loans and investments this year totaling $24.5 million. These transactions created nearly 1,100 jobs, including 476 construction jobs, over 200 educational opportunities for children through the creation and expansion of childcare and charter school facilities, and 166 units of affordable and market rate housing in low income communities. The transactions also helped to acquire and develop nearly 375,000 square feet of commercial real estate, with 77% being owner occupied, strengthening both the business owner and the neighborhood in which it is located.

In line with our mission, 82% of this year’s loans were made to low and moderate income people; 56% to Persons of Color, and 37% to women business owners.

Jennifer Schreiber and Vanessa DeLisio (below) are the founders and owners of one of downtown York’s hottest spots, the Green Bean Roasting Company. The former college classmates and experienced businesswomen saw an opportunity to not only operate their own business, but to play an integral part in further developing York’s business community and contributing to a bright future for everyone...

2014 Milestones

■ Community First Fund settled its first three New Markets Tax Credit investments: Tec Centro, Lancaster; The York Academy Regional Charter School, York; and the Big Mill Project, Reading.

■ Community First Fund was recognized by the Novogradac Journal of Tax Credits as a winner of a Community Development of the Year Award for its “exceptional qualified low income community (New Markets Tax Credits) investment” in Tec Centro.

■ Community First Fund was awarded a $2 million grant from the U.S. Treasury Department, our largest award to date from the CDFI Fund.

■ Community First Fund President and CEO Daniel Betancourt was selected as one of eleven Executive Leaders nationwide to participate in the Citi Leadership Program for Opportunity Finance.

■ Both Community First CEO Daniel Betancourt and COO Joan Brodhead made presentations to a national audience at the annual Opportunity Finance Network Conference in Philadelphia.

■ Community First Fund welcomed nearly 600 people to its annual Friends of the Fund event in December; our largest attendance in the history of the organization.

■ In FY 2014 Community First Fund received new investments from: Customers Bank, Mid Penn Bank, Metro Bank, and National Penn Bank. We received new equity capital from: Charlie Crystle, J. Gary and Marsha Neff, The Steinman Foundation and The Wyomissing Foundation.
the city they call home. They came to Community First Fund for a loan to start up their wholesale and retail operation. Jennifer and Vanessa were two of the women business owners we served this year. During FY 2014, the Women’s Business Center at Community First Fund conducted 58 training and networking sessions, attracting 444 entrepreneurs.

Erick Towles, (front cover photo) looks for opportunities around every corner. As a Master Electrician and owner of E.T. Electric in Reading, he relies on a strong cash flow to keep his pipeline and projects moving. Erick initially approached Community First Fund in 2005 for assistance in getting his small business off the ground. As his business grew, Erick became aware of opportunities to expand his business to include larger projects in a wider geographic area; his line of credit from Community First Fund allows him to take advantage of new opportunities.

When Armando Martinez-Gonzalez (above) left his hometown of Brisena, Mexico as a teenager, he never dreamed that his future would land him near the seat of power in Harrisburg, but it has. After working for a few years at Roxy’s Café, located at the foot of the Capitol steps, he was given the opportunity to purchase the business. Community First Fund was there to help him. He worked closely with our loan officer to prepare the loan application and to take ownership of the business. A small business loan gave him the cushion he needed to get started. His restaurant, still named Roxy’s Café, remains a neighborhood favorite for breakfast and lunch.

In FY 2014, Community First Fund settled its first three New Markets Tax Credit investments: Tec Centro, a bilingual workforce development center in Lancaster; The Big Mill project, a neighborhood retail, commercial and residential project in Reading; and an expansion of the York Academy Regional Charter School in York. New Markets Tax Credit is the only federal tax credit focused on investing in commercial real estate and community facilities in low income communities. The $5 million in NMTC invested in the York Academy Regional Charter...
School meant an expansion from grades K-3 to K-8 and the creation of more than 100 jobs. For students in the City of York, it meant new classrooms, a new gym and cafeteria and unlimited opportunity for learning and growth in this high performing charter school.

This year Community First Fund conducted the most ambitious Client Survey in its history. The results show that we are making a positive impact on the lives of clients and the community. Of the 129 clients interviewed to date, nearly one-third said that their businesses would not have been able to open or operate without the loan and support of Community First Fund; 45% said that the loan was integral in allowing their businesses to grow or move forward, and 10% said that their Community First Fund loan helped them gain financial stability. The majority of clients who received technical assistance said they were able to gain more knowledge of how to be successful in their businesses and felt inspired and encouraged by the guidance they received. The businesses surveyed employ an average of eight full time personnel each, with 64% of full time employees earning more than double the minimum wage and 48% of businesses offering benefits such as healthcare to their employees.
2014 Highlights

During Fiscal Year 2014 Community First Fund maintained strong performance and financial health. At the end of the fiscal year, capital under management grew to $44.6 million, an increase of more than 77%. This growth is primarily a result of the capital support of $15 million from New Markets Tax Credits and our strong lending activity in the core loan fund. The loan fund increased by 12% in the fiscal year, rising to $24.6 million in loans outstanding. During this fiscal year we limited net loan losses to 2.8% of the outstanding loan fund.

Net assets of $6.7 million, as of June 30 2014, show a 6.5% increase over the end of fiscal year 2013. Net assets were 22% of total assets, ensuring resources for continued growth, and reserves for the protection of investors. We experienced a 19% increase in total revenue and maintained effective expense control. Community First Fund’s self-sufficiency ratio at June 30, 2014 was 94%. This self-sufficiency measurement helps to ensure that Community First Fund maintains its ability to deliver loan products and other services to our customers.

Financial Outlook

Capital Under Management
Thank you to our many supporters.

**Legacy Fund**
Permanent Loan Capital
- Bank of America
- Louis J. Appell
- Daniel Betancourt
- James and Linda Buerger
- David and Anne Bushnell
- Charlie Crystle
- Christ Church United Church of Christ
- City of Reading/Berks Mindco.
- County of Lancaster
- Create Jobs For USA Fund
- Reverend William H. and Jane Danforth
- First Energy Foundation
- Richard A. and Sandra M. Fluck
- Foundation of The York County Chamber of Commerce
- Paul and Catherine Gregory
- T. Jerome Holleran
- John F. Horrigan
- J.C. Ehrlich Co., Inc.
- Leslie and Jill Jones
- Lancaster City Alliance
- Lancaster County Community Foundation
- Lancaster County Housing and Redevelopment Authority
- Linda Lestz, Stemgas Publishing Company
- Livable Communities
- Marlin Miller, Jr. Family Foundation
- Raymond Neag
- J. Gary and Marsha Neff
- Opportunity Finance Network
- PA Commission on Crime and Delinquency
- PA Department of Community and Economic Development
- PNC Bank
- Dr. Carl S. and Ellen L. Pike
- Rotary Club of Lancaster
- Edmund and Ingrid Ruoﬀ
- Santander Bank
- The Steinman Foundation
- Scott and Amanda Spencer
- Susquehanna Bank PA
- Sweet Street Desserts
- Team Pennsylvania Foundation
- U.S. Department of Agriculture
- U.S. Department of Health and Human Services
- U.S. Department of The Treasury
- Solomon and Barbara Wank
- Wells Fargo Regional Community Foundation
- Wyomissing Foundation

**Investors (Cumulative)**
- ACNB Bank
- Anonymous
- Bank of America
- Bank of New York Mellon
- Bryn Mawr Presbyterian Church
- Catholic Worker House
- Communities at Work Fund, L.P.
- Citizens Bank
- City of Lancaster
- Customers Bank
- Episcopal Diocese of Central PA
- Ferree Foundation
- Faith United Church of Christ
- Fulton Bank
- Alex and Molly S. Henderson
- Jonestown Bank and Trust Company
- Lancaster Newspapers, Inc.
- Erika E. Lauffer
- M&T Bank
- Metro Bank
- Thrivent Partnership Fund
- Mid Penn Bank
- National Penn Bank
- Opportunity Finance Network
- Penn National Insurance
- PA Department of Community and Economic Development
- PNC Bank
- QNB Bank
- Royal Bank America
- Sisters of St. Francis of Philadelphia
- Santander Bank
- Susquehanna Bank
- Reverend J. Kenneth and Marilyn J. TrauBer
- U.S. Department of Agriculture
- U.S. Department of The Treasury
- Wells Fargo Bank
- Wells Fargo Regional Community Development Corporation
- Charlotte Whiting
- Union Community Bank
- York Traditions Bank
- Customers Bank
- Dail’ G’Anelo
- Linda and Huns Dang
- Jana A. Darocha, CPA
- Steve and Patti Deck
- James and Ruth Deviney
- James Eby
- Dr. Joseph and Mary Kay Eckenrode
- Economic Development Corporation of Lancaster County
- Jonathan Encarnacion
- Michael and Deb Feck
- Jeanne Fields
- Albert Frey
- Fulton Bank
- F. Edward, III and Natalie Geiger
- Evan Gentry
- Goldman Sachs Foundation
- H. David Elbert, Jr. and Maureen R. Grable
- Greater Berks Development Fund
- Haggerty, Goldberg, Schleifer & Perspersmith, P.C.
- Vanderbilt Hampton, Jr.
- Michelle Hendriks
- Michaela Hoesler
- David B. Hendricks
- Cheryl Holland-Jones
- Housing Development Corporation MidAtlantic
- The S. Dale High Family Foundation
- Potsh Hurth
- Betty D. Hurdle
- S.M. Jarvis
- Gary and Suzette Johnson
- Kathleen Kohl
- Nancy Kurland, Ph.D. and Douglas Hill
- in Memoriam of Amy Kurland-Toney
- La Voz Latina Central
- Lancaster County Community Foundation
- Lancaster Housing Opportunity Partnership
- Eileen Leaman
- Tiffany Lehert
- Long, Nyquist & Associates
- Carlos and Carol Ann Lopez
- David H. Loughey
- M&T Charitable Foundation
- Glenda J. Machia
- Andrew C. Martin
- E.K. Conkey & Co., Inc.
- Gerald and Lynette Meck
- Meeder Development Corporation
- Members 1st Federal Credit Union
- R. Eric and Kendall Menzer
- Metro Bank
- Marilyn Miller, Jr.
- Kevin J. Mindlin
- National Penn Banchares, Inc.
- McKenna & Hohenadel, LLP
- Robert Nye
- Judy Ochs
- Michael N. Osgood
- Randy Patterson
- Pennsylvania Historical and Museum Commission
- Pennsylvania Department of Community and Economic Development
- PeoplesBank
- Daniel Porterfield, Ph.D.
- PNC Bank
- PNC Foundation
- QNB Bank
- Reese, Samley, Wagenseller, Mecum & Longer PC
- Roseann Romito
- George M. and Harriet M. Rosenberg
- Royal Bank America
- Hector and Corrin Ruiz
- Jonel and Ileana Ruiz
- Frank and Connie Sajer
- Marco Salinas
- Daniel Samartino
- Santander Bank Foundation
- David and Donna Schankweiler
- Kimberly Sease
- Zyro Smelley
- Thomas Simpson
- Miriam Soto
- Spanish American Civic Association
- MacDonald Stacks
- (In Memory of James Hyson)
- David and Colleen Stameshkin
- The Steinman Foundation
- Stuart & Associates Architects, Inc.
- Raz Sugarwala
- Susquehanna Banchares, Inc.
- Tabor Community Services
- Ryan Thomas
- RCT Advisors
- Rev. Kenneth and Marilyn TrauBer
- Tri County Housing Development Corporation
- Adela Ulrich
- Union Community Bank
- U.S. Department of Agriculture
- U.S. Department of The Treasury
- U.S. Small Business Administration
- United Way of Lancaster County
- UPMC Health Plan
- Joseph and Anne Wallace-Digandell
- Lydia Walker and Cristian Ardon
- Emily West
- Wells Fargo Bank
- Wells Fargo Foundation
- Ann Wheaton
- Steve Witmer
- Pamela and John Woodell
- The Wyomissing Foundation
- Sandra Yeager
- York County Community Foundation
- York County Economic Alliance
- York Revolution Professional Baseball
- York Traditions Bank
- Louella D. Young
- Zamagias Properties
- Anonymous
- ****

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