



OPPORTUNITY

everyone everywhere everyday



Community First Fund

2014 Annual Report

2014 OPPORTUNITY



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



Community First Fund

VISION

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

MISSION

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.

everyone...

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

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.



Community First Fund clients Jennifer Schreiber (left) and Vanessa DeLisio (right) test coffee beans at their business, the Green Bean Roasting Company in downtown York.



Community First Fund client Armando Martinez-Gonzalez enjoys the view from his business, Roxy's Café located near the Capitol Complex in Harrisburg.

everywhere...

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.

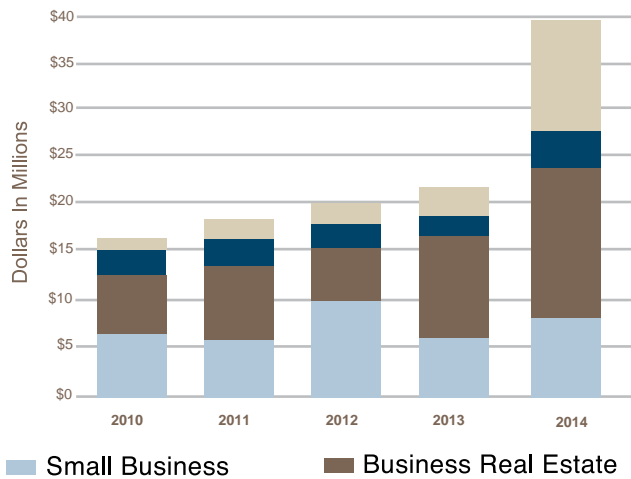
When Armando Martinez-Gonzalez (above) left his hometown of Brisena, Mexico as a teenager, he never dreamed that his future would land him near the seat of power in Harrisburg, but it has. After working for a few years at Roxy's Café, located at the foot of the Capitol steps, he was given the opportunity 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

Historic Impact—Since 1992:

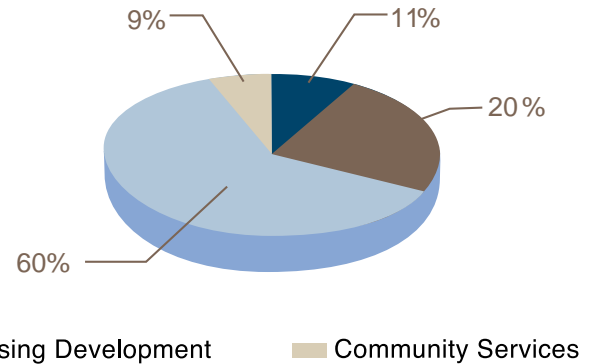
- \$85 million financed – 1,250 loans & investments made
- 5,800 jobs created and retained
- 922 units of housing financed in low wealth communities
- 80% of loans to low income people and in low income communities
- 51% of loans made to Persons of Color
- 36% of loans made to women business owners
- 2.4 million square feet of commercial real estate acquired and developed
- 4,000 children enrolled in child care centers we financed
- 97% of loans successfully repaid

Loan and Investment Portfolio by Type of Loan in Dollars
Fiscal Years 2010-2014



Loan and Investment Portfolio of \$39.6 Million by Type

*370 Total Loans and Investments
Outstanding as of June 30, 2014*



Students at the York Academy Regional Charter School enjoy a nutritious breakfast in their new cafeteria. An expansion at the charter school, made possible by a Community First Fund investment of New Markets Tax Credits will make room for 600 new students.

...everyday

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. 5

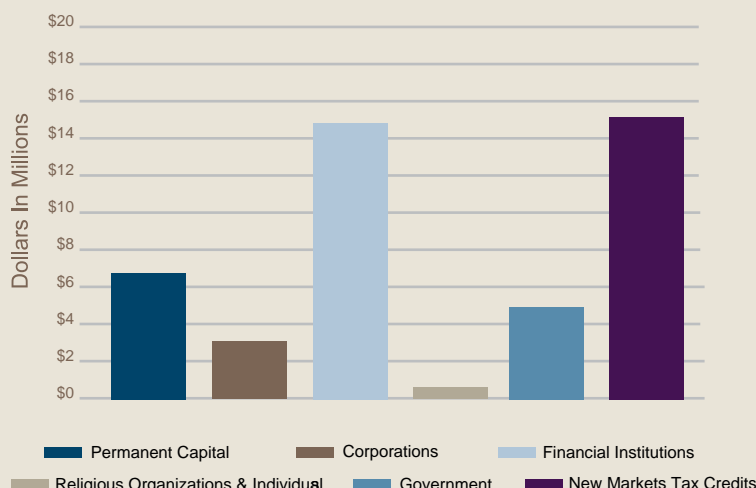
Financial Outlook

2014 Highlights

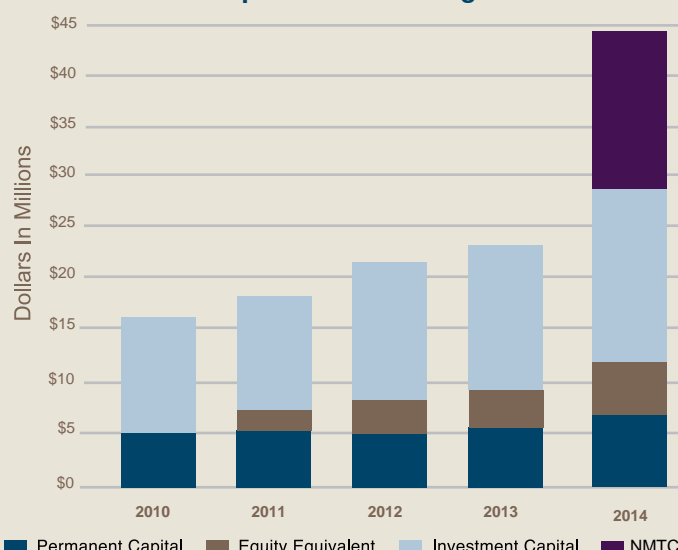
During Fiscal Year 2014 Community First Fund maintained strong performance and financial health. At the end of the fiscal year, capital under management grew to \$44.6 million, an increase of more than 77%. This growth is primarily a result of the capital support of \$15 million from New Markets Tax 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.

FY14 Financing Capital By Source
Total Financing, \$44.6 Million



Capital Under Management



Financial Statement 2014

FINANCIAL POSITION DATA

	2012	2013	2014
Total Assets	\$23,718,429	\$26,884,669	\$31,242,364
Total Liabilities	\$18,201,384	\$20,574,618	\$24,518,174
Total Net Assets	\$5,517,045	\$6,310,051	\$6,724,190
Total Liabilities and Net Assets	\$23,718,429	\$26,884,669	\$31,242,364

STATEMENT OF ACTIVITIES DATA

	2012	2013	2014
Total Income	\$3,006,876	\$3,590,017	\$4,259,107
Total Expenses	\$2,827,062	\$2,797,011	\$3,844,968

CHANGE IN NET ASSETS

	2012	2013	2014
	\$179,814	\$793,006	\$414,139

Total Capital Under Management

	2012	2013	2014
Loan Capital	\$21,700,271	\$25,133,618	\$29,633,518
New Markets Tax Credits*	—	—	\$15,000,000

TOTAL CAPITAL UNDER MANAGEMENT

	2012	2013	2014
	\$21,700,271	\$25,133,618	\$44,633,518

*Program commenced in FY2014

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 Darrin
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
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 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
Mersey 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 & Marilyn J. Trauger
U.S. Department of Agriculture
U.S. Small Business Administration
U.S. Department of The Treasury
Wells Fargo Bank
Wells Fargo Regional Community
Development Corporation
Reverend Charlotte Whiting
Union Community Bank
York Traditions Bank

Contributors and Operational Grants — FYE 6/30/14

James Abert
ACNB Bank
Eugene L. and Linda S. Aleci
Stacey Adams
Greta H. Aul
Austin Law Firm, LLC
The Bagnall Shaw Company
Bank of America
Bank of America
Charitable Foundation
Barley, Snyder, LLP
Benchmark Media Group
Daniel and Karen Beck
Leslie H. Benoliel
Bertz, Hess & Co., LLP
Daniel Betancourt
Danielle Betancourt Hammond
Larien Bieber
Maryann S. and Charles P. Boyz
Kevin Brady and Jennifer Redman
Joan M. Brodhead and James R. McGee, Jr.
Larry and Janice Brown
James E. and Linda J. Buerger
Caldwell Heckles & Egan, Inc.
Antonio G. Callari and
Elisabeth King-Callari
Central Penn Business Journal
The City of York
Laura Cooper
Annalisa Crannell and Neil Gussman

Customers Bank
Gail D'Angelo
Linda and Huns Dang
Martin A. Darocha, CPA
Steve and Patti Deck
James and Ruth Devenney
James Eby
Dr. Joseph and Mary Kay Eckenrode
Economic Development Company
of Lancaster County
Jonathan Encarnacion
Michael and Deb Fecik
Jeanne Fields
Janie Frey
Fulton Bank
F. Edward, III and Natalie Geiger
Evan Gentry
Goldman Sachs Foundation
Robert E., Jr. and Maureen R. Gray
Greater Berks Development Fund
Haggerty, Goldberg, Schleifer
Gumpersmith, P.C.
Vandell Hampton, Jr.
Marilyn Hedge
Henrietta Heisler
Michael Heller
David B. Hendricks
Cheryl Holland-Jones
Housing Development
Corporation MidAtlantic
The S. Dale High Family Foundation
Patsy Horvath
Betty D. Hurdle
S.M. Jarvis
Gary and Suzette Johnson
Kathleen Kohl
Nancy Kurland, Ph.D. and Douglas H. Toney
(In Memory of Amy Kurland-Toney)
La Voz Latina Central
Lancaster County Community Foundation
Lancaster Housing Opportunity Partnership
Eileen Leaman
Tiffany Leher
Long, Nyquist & Associates
Carlos and Carol Ann Lopez
H. David Loughery
M&T Charitable Foundation
Glenda J. Machia
Andrew C. Martin
E.K. McConkey & Co., Inc.
Gerald and Lynette Meck
Meeder Development Corporation
Members 1st Federal Credit Union
R. Eric and Kendall Menzer
Metro Bank
Marlin Miller, Jr.
Nevin J. Mindlin
National Penn Bancshares, Inc.
Klaus & 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. Rosenstein
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
Zylo Smedley
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 Bancshares, Inc.
Tabor Community Services
Ryan Thomas
RCT Advisors
Rev. Kenneth and Marilyn Trauger
Tri County Housing
Development Corporation
Adele 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-Digarbo
Lydia Walker and Cristian Ardon
Emily West
Wells Fargo Bank
Wells Fargo Foundation
Ann Wheaton
Steve Witmer
Pamela and John Woodell
The Wyomissing Foundation
Dr. Sandra Yeager
York County Community Foundation
York County Economic Alliance
York Revolution Professional Base
York Traditions Bank
Louella D. Young
Zamagias Properties
Anonymous

Board of Directors

R. Eric Menzer, Chair
Carlos Lopez, Vice Chair
H. David Loughery, Treasurer
Marilyn Hedge, Secretary
Stacey D. Adams*
Sara A. Austin, Esquire*
Daniel Betancourt, President and CEO
Jonathan Encarnacion
Cheryl D. Holland-Jones
Sonja Huntzinger
Nancy Kurland, Ph.D.
Gerald W. Meck
David A. Schankweiler
* Term Ended 12/31/2013

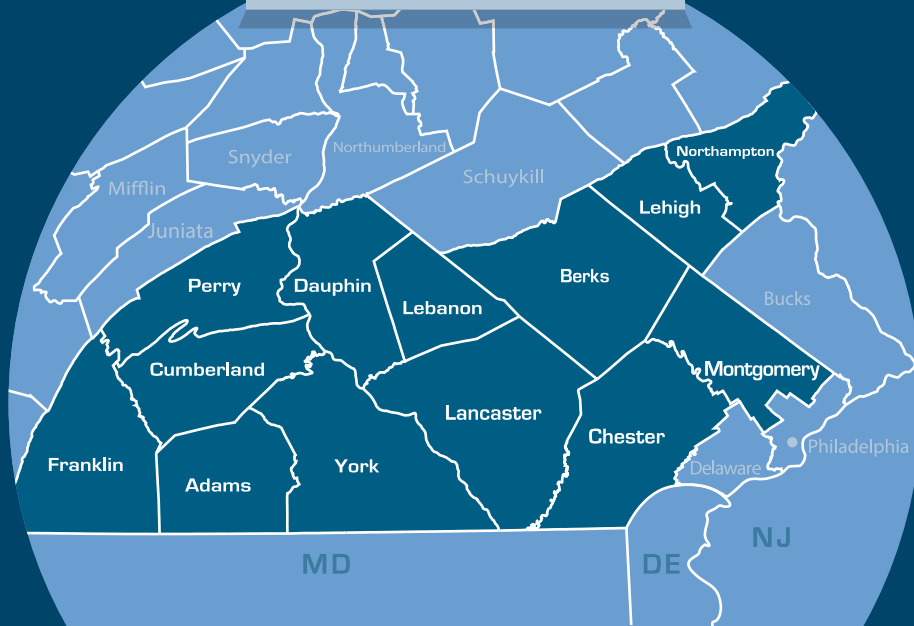
Senior Loan Committee

Daniel Betancourt, Chair
Joan M. Brodhead, Vice Chair
James E. Buerger
Raymond A. Davis
Stephen D. Flaherty, Esquire
Dale Grewal
James G. Shultz

Staff

Daniel Betancourt, President,
Chief Executive Officer
Joan M. Brodhead, Executive Vice
President, Chief Operating Officer
James E. Buerger, Senior Vice
President, Chief Lending Officer
Keith T. Bookert, Vice President,
Finance and Administration
Gary R. Johnson, Vice President,
Loan Administration
Glenda J. Machia, Development Direc
Daniel T. Beck, Vice President,
Community Lending
Gladys E. Benjamin,
Administrative Assistant
Randy S. Berridge, Jr.,
Management Trainee
Robert Clearfield, IT Consultant
Linda T. Dang, Vice President,
Community Lending
Mary Kay Eckenrode, Director,
Community Lending
Jamie L. Frey, Senior Associate
John Gouveia, Associate
Amanda Y. Harrison,
Accounting Manager
Michelle L. Kowal, Senior Associate
Elana Machlis, Intern
Jonel Ruiz, Director,
Community Lending
Daniella R. Singleton, Junior Associa
Miriam Soto, Senior
Community Lender
Genny L. Stein, Senior Associate
Kim D. van Donk, Associate
Lydia J. Walker, Director,
Women's Business Center
Pamela M. Woodell, Manager,
New Markets Tax Credits Program

Pennsylvania



Our Region of OPPORTUNITY



Community First Fund

717-393-2351 | www.commfirstfund.org