



FACING POVERTY



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The mission of Community First Fund is to help low wealth communities and individuals, especially People of Color and women by financing projects that start and expand job creating businesses, develop housing units and support community development that benefits low wealth communities. By focusing on the small cities of Allentown, Harrisburg, Lancaster, Reading and York and other smaller urban centers we are able to dedicate resources to the areas of highest poverty in central and eastern Pennsylvania.

In FY 2015 Community First Fund financed 90 business, housing and community development projects, totaling \$10.5 million, the highest amount in our history. These loans leveraged an additional \$10 million in public and private funds resulting in more than \$20 million in new investment in the region. Eighty five percent (85%) of loans benefited low wealth communities and people, including People of Color and women. Community First Fund loans created and retained 529 jobs, 260 childcare opportunities, 139 units of affordable housing, and helped to acquire and develop 34,000 square feet of commercial real estate for local developers and businesses. Strong lending activity in FY 2015 expanded our historical impact throughout the region (see page 8).

Fadeke Salako (*cover photo*) saw a need for better access to medications and healthcare information in an area of extreme poverty in the City of Reading. A native of Nigeria, the pharmacist identified a 'pharmacy desert' and with a loan from Community First Fund opened Oakside Care Pharmacy. The pharmacy serves two elderly residential care facilities and residents of a low-income housing community located in the neighborhood. Fadeke provides not just easier access to lifesaving medications, but valuable education on diabetes, asthma and other medical conditions as well. Oakside Care Pharmacy brings health and hope to a community where it had been lacking.

Dear Friends:

We are pleased to present Community First Fund's 2015 Annual Report which highlights continued strength in lending and financial management. We made \$10.5 million in loans in FY 2015, the highest amount financed in our 23 year history. These loans leveraged an additional \$10 million in private funds, and created and retained 529 jobs. We also maintained strong financial performance with increased revenues, reduced expenses, and a 28% increase in net assets. Additionally, we were awarded \$30 million under the New Markets Tax Credit Program.

Over the past year Community First Fund became part of an evolving discussion on poverty. Recent academic studies and economic development plans throughout the region take a closer look at how poverty impacts people and neighborhoods. At our Equitable Economic Development Forum in May, co-hosted with the Federal Reserve Bank of Philadelphia, 120 national and regional economic development leaders came together to discuss the challenges of building an equitable economy that affords all individuals and communities the opportunity to benefit from economic growth.

The public conversation on poverty has begun. In this annual report you will read about people who are facing poverty and working to overcome it in their communities. We are glad to see the debates and struggle focused on the issue of poverty because it will make us stronger as individuals, advocates and communities. We look forward to being a part of the discussion with you.

Daniel Betancourt
President and CEO

R. Eric Menzer
Chair, Board of Directors

*COVER: Fadeke Salako, owner,
Oakside Care Pharmacy in Reading*



**Community First Fund
envision a vibrant and
diverse community where
individuals prosper and are
free from poverty and
discrimination.**

ABOVE: A career pathway to construction jobs is just one of the courses Tec Centro, a Lancaster based bilingual vocational training school, uses to create opportunities and transform lives. Community First Fund's New Markets Tax Credit investment in this high impact project was recognized with a national award. (see page 8).

An investment in small cities and towns. \$94.5 million since 1992

Community First Fund's approach to poverty elimination includes increasing development of affordable and market rate housing units, turning blighted and vacant buildings into community assets, creating educational opportunities for children, youth and adults, and providing the resources necessary for job creating businesses to start up and grow. We are proud of the work we do and are fortunate to work with so many community partners throughout central and eastern Pennsylvania that are making a difference in their communities.

The Heinz Menaker Senior Center in midtown Harrisburg (*pages 4–5*) serves seniors with a variety of health, social, recreational, nutritional, and educational activities. On any given day you will find senior citizens taking classes in Tai Chi or line dancing, playing cards or just enjoying quiet conversation with friends. The Center also provides daily hot meals, hosts one of the most active food banks in the Harrisburg area, and operates the Meals on Wheels Program. In FY 2015 Community First Fund made a loan to the Heinz Menaker Center to replace the roof on the center ensuring safe haven for their guests before winter set in.

FY 2015

90 loans



10.5 million dollars



**85% in the
target market**



In FY 2015, while still celebrating the successes of our first round of federal New Markets Tax Credit (NMTC) projects, we were notified that we received a second allocation for \$30 million. The NMTC program leverages private investment in historically low income neighborhoods. Access to the program gave Community First Fund the opportunity to support transformative projects like Lancaster's Tec Centro (*page 3*). The tax credits made possible the private investment necessary for the Spanish American Civic Association to develop a blighted building into a nationally recognized vocational training center for language development, adult basic education, bilingual skills training, and job readiness and placement. Tec Centro served more than 1,000 people in its first year. Our recent

allocation of NMTC will support five high impact projects in five small cities throughout central and eastern Pennsylvania.

Small businesses are vital to our small cities because they create jobs, fill vacant spaces with activity, allow people to contribute to the economic health of their neighborhoods, and build personal net worth for low income people to pass on to future generations. In FY 2015, Community First Fund made loans ranging from \$1,000 to over \$2 million; each one creating an opportunity for us to impact a person, a family and a community. Small business loans remained a key part of our activity, representing nearly 70% of total loans and more than half of total dollars financed. The remainder of loans was for affordable and market rate housing, mixed use properties and business real estate development with a focus on owner occupancy.



LEFT: At the Heinz Menaker Senior Center in midtown Harrisburg, seniors enjoy a hot meal, make friends, get fit, be creative, and have fun. Community First Fund is proud to support a center that provides the services older adults need to be healthy, happy and whole.

Investing in people and neighborhoods.



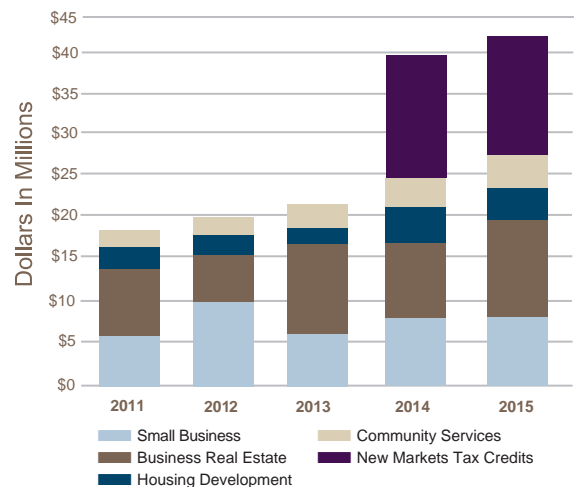
LEFT: For Domingo Almonte, owner of York's P&P Deli and Grocery, operating his own businesses means long term financial security for his young family. A loan from Community First Fund allowed him to purchase his business property and make a long term commitment to the City of York.

Eight years ago Domingo Almonte, a native of the Dominican Republic (page 6), opened P&P Grocery on West Philadelphia Street in York City. The bodega-style grocery and deli sells convenience store items as well as foods familiar to the local Latino population. Recently, Community First Fund was able to help Domingo become owner of the property in which his business is located. The building also has four units of affordable housing, ensuring a steady source of income for Domingo and his young family. Supporting owner

occupancy of business properties and increasing the personal net worth of low wealth people is one way Community First Fund breaks down the barriers of poverty.

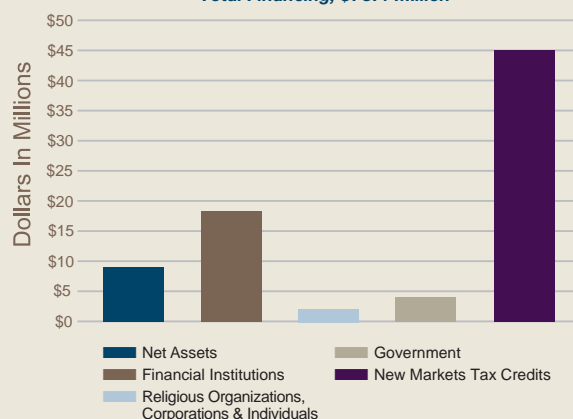
Community First Fund is fortunate to work with so many supporters and collaborate with community partners throughout the region who share our vision. Together we will build vibrant and diverse communities free of poverty.

**Loan & Investment Portfolio
by Type of Loan in Dollars**
Fiscal Years 2011–2015

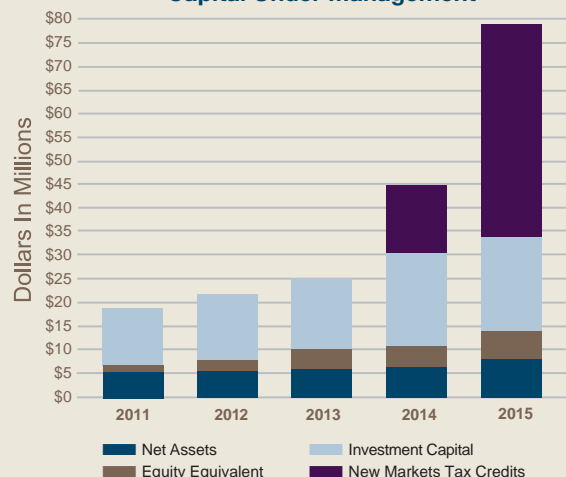


Financial Outlook

FY15 Financing Capital By Source
Total Financing, \$78.4 Million



Capital Under Management



2015 Highlights

During Fiscal Year 2015 Community First Fund maintained strong performance and financial health. At the end of the fiscal year, capital under management grew to \$78.4 million, an increase of nearly 76%. This growth is primarily a result of the capital support of a second New Markets Tax Credit allocation of \$30 million, and our strong lending activity in the core loan fund. The loan fund increased 13% in the fiscal year, rising to \$27.8 million in loans outstanding. During this fiscal year we limited net loan losses to less than 1% of the outstanding loan fund.

Net assets of \$8.6 million, as of FY 2015 represented a 28% increase over the end of FY 2014. Net assets were 24.6% of total assets, ensuring resources for continued growth, and reserves for the protection of investors. We experienced a 29% increase in total revenue and reduced expenses 6.3%. Community First Fund's self-sufficiency ratio at June 30, 2015 was 83.8%. This self-sufficiency measurement helps to ensure that Community First Fund is able to continue to deliver loan products and other services to our customers.

Financial Statement *(as of June 30)*

FINANCIAL POSITION DATA

	2013	2014	2015
Total Assets	\$26,884,669	\$31,242,364	\$35,041,239
Total Liabilities	\$20,574,618	\$24,518,174	\$26,428,899
Total Net Assets	\$6,310,051	\$6,724,190	\$8,612,340
Total Liabilities and Net Assets	\$26,884,669	\$31,242,364	\$35,041,239

STATEMENT OF ACTIVITIES DATA

Total Income	\$3,590,017	\$4,259,107	\$5,488,991
Total Expenses	\$2,797,011	\$3,844,968	\$3,600,841
CHANGE IN NET ASSETS	\$793,006	\$414,139	\$1,888,150

Total Capital Under Management

Loan Capital	\$25,133,618	\$29,633,518	\$33,368,892
New Markets Tax Credits*	—	\$15,000,000	\$45,000,000
Total Capital Under Management	\$25,133,618	\$44,633,518	\$78,368,892

*Program commenced in FY-2014

THANK YOU TO OUR INVESTORS AND CONTRIBUTORS FOR FY 2015

Investors

(Cumulative as of 6/30/15)

ACNB Bank
Anonymous
Bank of America
Bank of New York Mellon
BB&T Bank
Bryn Mawr Presbyterian Church
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U.S. Treasury Small Business Loan Fund
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York Traditions Bank

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Ryan Thomas
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U.S. Department of The Treasury
U.S. Small Business Administration
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Impacting our Communities

The support of our contributors, investors and community partners has propelled Community First Fund to become a recognized leader in business and community development in central and eastern Pennsylvania. In line with our mission Community First Fund provides the resources necessary to help low income communities and people, especially People of Color, create sustainable prosperity for themselves, their families and their communities. Since 1992, Community First Fund's commitment to supporting high impact projects in our region has resulted in the following successes.

1,345	business and community development projects financed
\$94.5	million of financing provided
6,250	jobs created and retained
80%	of loans made to low income people and communities
46%	of loans to businesses owned by People of Color
36%	of loans to women owned businesses
24%	of loans to community service organizations
36%	of loans (#) to start-up businesses
1,075	housing units financed
2.3	million square feet of real estate financed
4,229	childcare opportunities financed
1,290	educational opportunities financed
62%	of borrowers surveyed pay employees a livable wage
88%	of borrowers surveyed reported they would not have been able to start up or grow their business without help from Community First Fund

2015 MILESTONES

- In May Community First Fund co-hosted its first Equitable Economic Development Forum with the Federal Reserve Bank of Philadelphia. More than 120 national and regional economic development leaders attended.
- Community First Fund received a \$30 million allocation of New Markets Tax Credits from the U.S. Treasury, its second award. This allocation will support five projects throughout central and eastern Pennsylvania.
- Community First Fund received national recognition from Novogradac Journal of Tax Credits, a national publication for New Markets Tax Credits for our investment in Tec Centro, a bilingual workforce training center in Lancaster.
- Community First Fund received an outstanding Aeris rating of AAA+2 in 2015. This is an indication that our impact is among the best in the industry, our financial performance is strong and our policy and advocacy efforts are being recognized.
- Community First Fund became a member of the Federal Home Loan Bank of Pittsburgh.
- Community First Fund received new investments from Fulton Bank, National Penn Bank, PCD Bank, PNC Bank, Royal Bank America, VIST Bank, the Wyomissing Foundation and York Traditions Bank. We received new equity from James and Linda Buerger, the City of Lancaster, the S. Dale High Family Foundation, Lancaster Newspapers, the U.S. Treasury Department's CDFI Fund, the Wyomissing Foundation and the York County Community Foundation.
- Both CEO Daniel Betancourt and COO Joan Brodhead presented at the Opportunity Finance Network (OFN) national conference in Denver, CO; Chief Lending Officer Jim Buerger presented at OFN's Small Business Conference in Chicago.
- Daniel Betancourt was keynote speaker at the 80th Anniversary celebration of the Pennsylvania Chapter of the NAACP.



Community First Fund

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