



ECONOMIC SECURITY



AFFORDABLE HOUSING

SOME BRIDGES ARE BUILT TO SPAN A RIVER. SOME TO REACH ACROSS MOUNTAINS. AT COMMUNITY FIRST FUND, WE BUILD BRIDGES THAT HELP RAISE PEOPLE UP.

Not bridges built with concrete and steel, but bridges that connect our neighbors in impoverished areas to resources and ongoing support.

We build our bridges on five pillars, each bringing a core necessity to populations in our urban landscape. We want to connect with those who can't obtain traditional funding. Embrace them. And build bridges that bring opportunity, hope and prosperity. Bridges that create a path to sustainable, vibrant communities.

We realize that our communities face many challenges. But with funding for these five pillars - economic security, affordable housing, food resources, accessible healthcare and educational opportunities - Community First Fund is building bridges to vibrant and healthy communities. To communities reborn!

Ö

FOOD RESOURCES

ACCESSIBLE HEALTHCARE

EDUCATIONAL OPPORTUNITIES





Daniel Betancourt, President and CEO and David A. Schankweiler, Chair, Board of Directors

Message from the Chair and CEO

BUILDING BRIDGES THAT RAISE PEOPLE UP

Dear Friends:

We are pleased to present Community First Fund's 2018 Annual Report, highlighting another year of continued growth and building bridges to vibrant communities in central and eastern Pennsylvania. This year we reached the highest lending activity in our history at over \$20 million, along with an additional \$26.75 million in New Markets Tax Credit projects financed. This capital assisted new and expanding businesses, allowed for the development of new housing, healthy food markets and educational opportunities, and supported community service organizations that enhance the quality of life in our communities. Additionally, our financing leveraged another \$59.5 million in public and private funds into our region.

Over the past year we continued our focus on closing the gap between those with access to financial resources and those who continue to face institutional barriers to success. In FY 2018, eighty-eight percent (88%) of loans benefited low wealth communities and people, including People of Color and women. Loans and investments we financed created and retained 965 permanent jobs, 291 temporary construction jobs, 889 childcare opportunities, 260 units of affordable housing, and developed nearly 415,000 square feet of commercial real estate.

In this report you will see the faces and read the stories of five clients who, with help from Community First Fund and through their own hard work and dedication, have seized opportunity and created success. They, too, are bridge builders. Their achievements strengthen our resolve to remove barriers and create economic opportunity for individuals and organizations in our region. We are grateful for the support you have provided over the past years and thank you for making it possible for us to further our commitment to transforming lives and communities.

Daniel Betancourt
President and CEO

David A. Schankweiler Chair, Board of Directors







PAVING THE WAY TO ECONOMIC SECURITY

Our funding is a bridge that helps businesses in underserved communities initiate and grow, creating important job opportunities. Budding entrepreneurs can obtain financing to live out their dream of owning a business. As financial literacy increases, individuals and families realize economic stability.

Juanita Edrington-Grant began building bridges over 15 years ago when she founded Christian Recovery Aftercare Ministry, Inc. (CRAM). A non-profit organization headquartered in Harrisburg, CRAM provides pre-release and re-entry services to ex-offenders and their families. In 2015, Juanita approached Community First Fund for help with financing the purchase of a former healthcare center. Her vision was to transform the property into a community center that could provide multiple services under one roof. In 2018, that vision became reality with the opening of the Harrisburg Uptown Building (The HUB). Today, The HUB houses CRAM and other non-profit and for-profit service providers that offer employment assistance, work-based training, computer and financial literacy classes, pre-GED tutoring, and legal services to assist ex-offenders facing additional barriers to obtaining housing, employment and other basic needs. These programs are vital in helping re-entrants secure quality employment and achieve economic security, which results in reduced recidivism and safer communities.

Since inception, our financing has resulted in the creation and retention of 8,190 jobs throughout central and eastern Pennsylvania.







CULTIVATING ACCESS TO HEALTHY FOODS

We build bridges by funding entities that fulfill the need for healthy, abundant, culturally appropriate food in communities where it's needed most. Food-based businesses can find the resources they need to grow. Independent supermarkets, farmer's markets and bodegas, and meal-serving childcare centers all contribute to solving the problem of hunger in our region.

Adriano Gomez's experience in the grocery store industry encompasses 30 years of opening and operating over 16 stores, including enterprises in Lancaster and Reading. He recently opened Brother's Food Max in Plaza Centro on South Duke Street in Lancaster. Community First Fund provided financing for the purchase and installation of equipment for the 9,000 square-foot store. This new full-service supermarket offers a variety of healthy foods, including fresh produce options that fulfill the needs and tastes of his customers. Just as important to the community, the store has created over 40 jobs for local residents.

In our history, we have made 90 loans and investments for more than \$12.6 million to bodegas, grocery stores, purveyors of healthy foods at farmer's markets, and to non-profit organizations offering healthy food options to their clients.











TRANSFORMING UNUSED SPACE INTO AFFORDABLE HOUSING

We build bridges by funding conscientious builders and developers who are providing safe and affordable housing options in areas where there is short supply. Those in need can now find options for single family, multifamily or rental housing. And even home ownership. Modern, mixed-income living spaces bring diverse people together... and community pride grows.

Alan Shuman has built more than just a reputation in the City of Reading. As the CEO of Shuman Development Group, he has been the driving force behind many of the city's revitalization projects. Several years ago, he set his sights on one of the city's biggest eyesores, an abandoned factory building located in a northeast Reading neighborhood. Backed by a New Markets Tax Credit allocation from Community First Fund, Alan and his team converted the blighted property into what is now known as Big Mill Apartments. This mixed-use complex features 69 affordable one and two bedroom apartment units and features amenities such as on-site laundry facilities, an elevator, advanced security system, parking, and easy access to a local full-service grocery store and other retail establishments. Additionally, 42,000 square feet of commercial space on the first floor is slated to hold a restaurant and daycare center for children with special needs.

In our history, we have financed projects that have created over 1,700 housing units, both market-rate and affordable-rate, in the region we serve.







PROVIDING THE FOUNDATION FOR ACADEMIC SUCCESS

Newly created charter schools are creating enhanced opportunities for education through our funding and childcare centers have expanded to provide Early Childhood Education to those in their care. Vocational training and college prep programs enhance workforce development. We're building bridges through quality education that brings the opportunity for advancement and prosperity.

Easton Arts Academy Elementary Charter School launched in September 2017 in downtown Easton. This unique school, serving grades K-5, provides varied experiences in music, theatre, dance, visual arts and gymnastics to produce academically well-rounded students. With tuition-free enrollment for over 425 children, the school draws students from 15 surrounding school districts and reached capacity at the start of the 2018 school year. Community First Fund provided financing for the school to open with new furniture, fixtures, and equipment and additional working capital to cover startup costs. Besides offering an excellent early childhood education experience, Easton Arts Academy occupies a renovated historic building in downtown Easton and provides 60 living-wage jobs with full benefits.

Over the past twenty-six years, Community First Fund has financed 4,526 educational opportunities for students in various settings and programs.











ENSURING ACCESS TO QUALITY HEALTHCARE

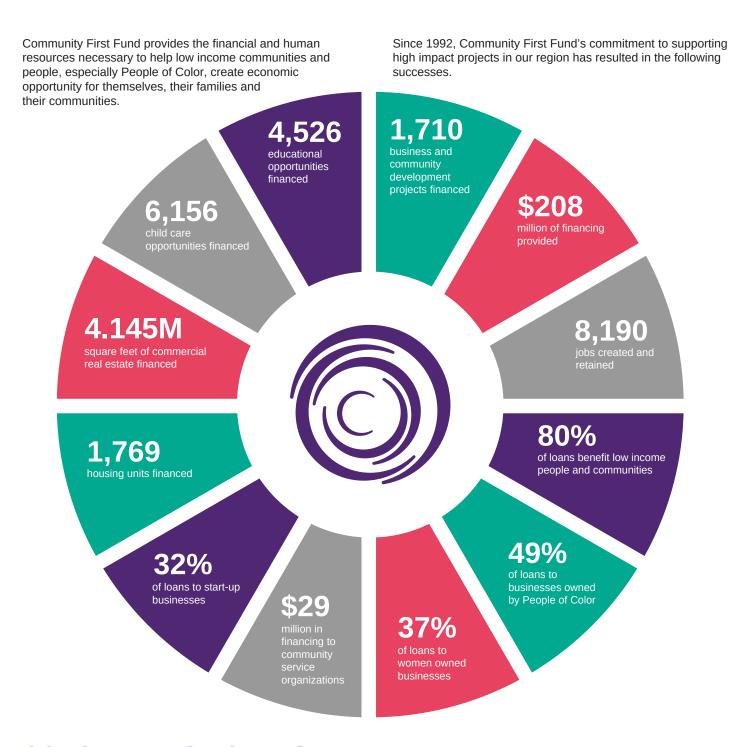
Through the financing we provide, we've built bridges so the people in our communities are finding greater access to affordable health care. Caring doctors and dentists work in urban clinics and private practice to serve those most in need. Home health and assisted living agencies are treating people right where they live. Neighborhood pharmacies make available much needed medications and medical supplies. Healthy people bring the vitality that energizes communities.

Dr. Mark Fabey, owner of Fabey Dental Studios in Easton, has built his practice based on hard work and commitment to his clients and community. In 2016, Dr. Fabey approached Community First Fund for capital to add 6 new operatories, purchase new state-of-the-art equipment and hire 14 additional staff. The expansion of this full-service dental studio has increased capacity to treat over 100 new patients a month. Aware that many in the area cannot access affordable dental care, Dr. Fabey and his team have participated in the Dentistry from the Heart program, which provides free dental service to veterans, homeless and low-income individuals. Plans are underway to start their own community service program in the near future.

In our history, we have financed over \$4 million in loans and investments to healthcare entities that provide access to mental health, dental, home care, chiropractic, pharmacy, and ambulance services.



IMPACTING OUR COMMUNITY



2018 MILESTONES

- Settled on \$26.75 million in New Markets Tax Credit allocations for projects in Lancaster, Lebanon and York.
- Convened an Equitable Economic Development Forum in York, attended by over 125 community development and civic leaders from central and eastern Pennsylvania.
- Partnered with IMPACT Harrisburg to launch the Harrisburg Business Opportunity Fund.
- Secured \$10 million in capital from the CDFI Bond Guaranty Program to support economic development projects in our region.
- Partnered with Columbia Borough to manage a community revolving loan fund.
- CEO Daniel Betancourt presented at the Opportunity Finance Network (OFN) national conference in Washington, DC.



2018 FINANCIAL HIGHLIGHTS

During Fiscal Year 2018 Community First Fund maintained strong performance and financial health.

The core loan fund increased 13% in the fiscal year, rising to \$42 million in loans outstanding and total Capital Under Management grew 7.5% to \$145 million.

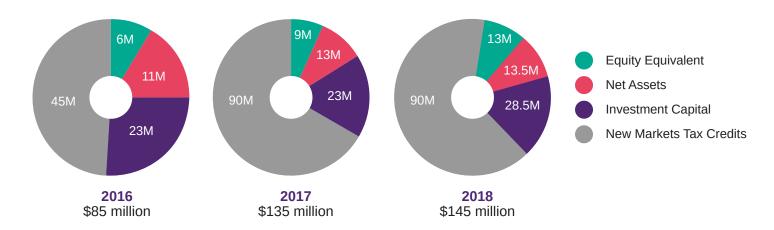
Net assets of \$13.5 million at the end of FY 2018 represented 22.7% of total assets for the year ended 2018. Community First Fund's self-sufficiency ratio at June 30, 2018 was 78.1%. This self-sufficiency measurement helps to ensure that Community First Fund is able to continue to deliver loan products and other services to our customers.

Financial Statement (as of June 30)

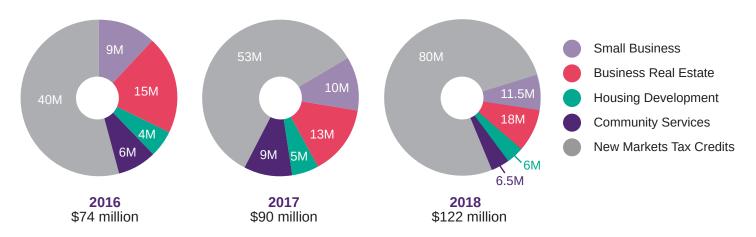
Financial Position Data			
Total Assets Total Liabilities Total Net Assets Total Liabilities and Net Assets	2016 \$42,597,975 \$31,609,483 \$10,988,492 \$42,597,975	2017 \$47,099,397 \$34,391,671 \$12,707,726 \$47,099,397	2018 \$59,716,742 \$46,186,830 \$13,529,912 \$59,716,742
Statement of Activities Data			
	2016	2017	2018
Total Income	\$6,560,403	\$6,482,859	\$7,464,449
Total Expenses	\$4,184,251	\$4,763,625	\$6,642,263
Change in Net Assets	\$2,376,152	\$1,719,234	\$822,186
Total Capital Under Management			
	2016	2017	2018
Loan Capital	\$40,447,105	\$45,215,049	\$55,336,460
New Markets Tax Credits	\$45,000,000	\$90,000,000	\$90,000,000
Total Capital Under Management	\$85,447,105	\$135,215,049	\$145,336,460

FINANCIAL PERFORMANCE

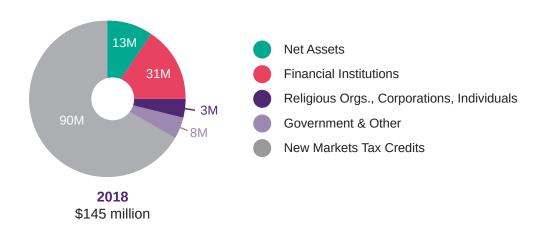
Capital Under Management



Loan and Investment Portfolio by Type in Dollars



FY 18 Financing Capital by Source



THANK YOU TO OUR INVESTORS AND

INVESTORS

Cumulative as of 6/30/2018

ACNB Bank

Anonymous

Bank of America

BB&T Bank

Bryn Mawr Presbyterian Church

Foundation

Bryn Mawr Trust Company

Catholic Worker House

Citizens Bank

CDFI Community Investment

Fund

Commonwealth Cornerstone

Group

Customers Bank

Episcopal Diocese of Central PA

Ferree Foundation

Faith United Church of Christ

First National Bank

First Priority Bank

Fulton Bank

Molly S. and

Alexander Henderson III

I-Lead Charter School

Jonestown Bank and Trust

Company

Lancaster County Community

Foundation

Erika E. Lauffer

Malvern Federal Savings Bank

M&T Bank

Mercy Partnership Fund

Mid Penn Bank

Opportunity Finance Network

Orrstown Bank

Penn National Holding

Corporation

PA Treasury Department

PA Department of Community and Economic Development

PeoplesBank

PNC Bank

QNB Bank

Sisters of St. Francis of

Philadelphia

TD Bank

Tompkins VIST Bank

Union Community Bank

UNIVEST

U.S. Department of Agriculture

U.S. Small Business

Administration

U.S. Treasury Small Business

Loan Fund

Wells Fargo Bank

Wells Fargo Regional Community

Development Corporation

Reverend Charlotte Whiting

Wyomissing Foundation

York Traditions Bank

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During FY 2018

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Our Region Of Impact



