



COMMUNITY FIRST FUND

AN ANNUAL REVIEW. A NEW PERSPECTIVE.



Daniel Betancourt,
President and CEO



David A. Schankweiler,
Chair, Board of Directors

Dear Friends:

We are pleased to present Community First Fund's 2019 Annual Report, highlighting another year of continued growth and building vibrant communities in central and eastern Pennsylvania. This year we reached the highest lending activity in our history at over \$22.5 million along with an additional \$10 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 for low-income people and communities. Additionally, our financing leveraged another \$19.3 million in public and private funds into our region.

In FY 2019, ninety-six percent (96%) of loans benefited low wealth communities and people, including People of Color and women. Loans and investments we financed created and retained 807 permanent jobs, 59 temporary construction jobs, 1,033 childcare opportunities, 160 units of affordable housing, and developed over 881,500 square feet of commercial real estate.

Each year, we measure our impact with numerous statistics – numbers that prove our commitment to our mission. While the numbers are important, the impact beyond the numbers is where we want to see real change take place. This year we have raised the bar and are looking at our work from a new perspective – one that focuses on creating outcomes that help individuals achieve true economic mobility.

We are grateful for the support you have provided over the past years and appreciate your help in making it possible for us to further our commitment to transforming lives and communities.

We sincerely thank you!

Daniel Betancourt and David A. Schankweiler

A NEW PERSPECTIVE ON BUILDING VIBRANT COMMUNITIES:

Solutions that are a catalyst to upward mobility.

Many individuals in our communities face significant economic obstacles. They are often served by a nonprofit that provides a core necessity such as food, clothing or shelter - meeting a specific need at a specific time. Although they bring much needed relief, they offer little opportunity for changing the core problem - moving people out of poverty and up the economic ladder.

At Community First Fund, we want to fund solutions that offer more than just relief. When a child from a low-income family is enrolled in a quality, affordable daycare facility, the statistics simply convey that another daycare seat has been filled - the need has been met. However, the potential outcome is much greater. In this scenario, parents realize peace of mind, allowing them to focus on their performance at work and create opportunities for advancement and better pay. The child is provided with an early education opportunity that will increase their chances of graduating from high school and pursuing higher education, ultimately resulting in better career opportunities. All of this moves the family along the path of upward economic mobility.

For us, communities are not about real estate, buildings or projects – they're about people and opportunity. We want to build vibrant communities by being a catalyst for solutions that change lives in a meaningful and sustainable way. Solutions that bring more than just relief. Solutions that are a pathway to improved outcomes. And a more productive, dignified life.



CREATING PERSONAL WEALTH THROUGH OPPORTUNITY



Lourdes Peralta, Sarai Variety Flowers Shop Reading

Lourdes Peralta realized her dream when she opened Sarai Variety Flowers Shop in downtown Reading. Her small business provides unique flower arrangements and event planning services for Quinceañeras, weddings and other celebrations to the Hispanic community and beyond.

After her business blossomed, Community First provided Lourdes with financing for the purchase of a building to expand her store. Not only was this new space a perfect fit for her growing business, it also provided her with a new home. The top floor of the property features a spacious apartment, where Lourdes and her family currently reside. This savvy entrepreneur recently secured another loan from Community First to add a new product line – the sale and rental of culturally desirable party dresses.



Many entrepreneurs are able to build wealth by establishing and growing their own businesses. Through their hard work and dedication, they are able to create sustainable, quality jobs for themselves and their employees. Since inception, our financing has resulted in the creation and retention of nearly 9,000 jobs throughout central and eastern Pennsylvania.

SERVICES THAT STABILIZE HEALTH LEAD TO SECURING QUALITY JOBS



Jaqueline Fisher, Executive Director of SACA Lancaster

La Casa is a bilingual and bicultural residential rehabilitation facility established by the Spanish American Civic Association (SACA). La Casa provides treatment for adult men with drug addiction and other substance abuse problems. With capacity for 23 residents, the staff helps residents transition to healthy, productive lives after learning to live with the disease of addiction. Each resident receives counseling and support while focusing on securing employment, continuing education, and obtaining new safe living arrangements.

In 2017, Community First Fund provided SACA with financing to purchase and renovate the property housing this facility. Over the past two years, La Casa has served nearly 300 clients; all of whom were referred to Tec Centro, SACA's bilingual vocational training center, and gained successful employment before being discharged from the program.



We support health clinics that provide services to stabilize residents' health, allowing them to seek and obtain steady employment. As a result, people are better able to support themselves and have a solid foundation for moving forward with their lives. Since our inception, we have made nearly \$7 million in loans and investments to finance accessible healthcare.

Catalyst: Educational Opportunity

FULFILLING POTENTIAL AND FOSTERING ACCESS TO HIGHER EDUCATION



Children Deserve A Chance Foundation Lancaster

Created by the Children Deserve A Chance Foundation, Attollo is a rigorous college leadership program designed to ensure that high school students reach their full potential. Since its inception, over 1,000 students from 10 school districts in Lancaster County have participated in the Attollo program.

After successfully completing an intense 6-week recruiting program focused on building confidence, the diverse group of Attollo Scholars meet approximately 10 hours a week to engage in programs that encompass academic support, mentoring, leadership development, and career specific training programs. Scholars also embark on college tours where they have the opportunity to visit campuses across the country.

Community First Fund has provided over \$2 million in financing to support the Foundation's operations and programs so Scholars receive the guidance and resources necessary to develop a solid path to higher education and fulfilling careers.



Over the past twenty-seven years, Community First Fund has financed over 5,900 educational opportunities for students in various settings and programs. Creating pathways to higher education allows individuals to secure high-quality jobs and careers, resulting in increased income mobility.

Catalyst: Food Resources

CONVENIENT NEIGHBORHOOD ACCESS TO HEALTHY FOODS



Sue Myers, Sue's Food Market Wrightsville

Sue Myers' commitment to the Wrightsville community began over 36 years ago when she first started working at Andy's Market, a small downtown grocery store. Twenty-five years later, she purchased the business, renamed it Sue's Food Market, and made it her own. Soon after, Community First Fund provided a loan to refinance a previous private commercial mortgage for the mixed-use property, which included the store and five affordable-rate apartments.

Sue has built a dedicated customer base who appreciate her selection of quality fresh meats, cheese and deli items. Clients across multiple counties travel to take advantage of the affordable deals on customized meat packages sized to fit various family needs and budgets. In addition to providing quality foods, the market also supports local nonprofits by offering the best area pricing on pre-made subs and sandwiches for group fundraising efforts.



Small neighborhood grocery stores play an integral role in our communities, as many residents do not have access to large-scale supermarkets and fresh foods. Since our inception, we have made over 100 loans and investments totaling nearly \$15 million to finance healthy food activities.

Catalyst: Affordable Housing

MAKING HOME OWNERSHIP A REALITY FOR ALL



Hispanic Association of Contractors & Enterprises Philadelphia

The Hispanic Association of Contractors & Enterprises (HACE) serves Philadelphia's Eastern North and Lower Northeast communities with a strategy to develop safe affordable housing and provide comprehensive counseling services that help clients realize the dream of home ownership. Their focused community development model allows them to concentrate resources to create impact and accomplish multiple goals.

Community First Fund provided financing to support HACE's creation of quality affordable housing in neighborhoods that many low-income families call home. With a focus on the acquisition and construction of properties for new home ownership and rental housing, HACE is creating mixed-income neighborhoods that are quickly becoming gentrified.

Pictured above are Daniel Betancourt, President and CEO of Community First Fund, Maria Gonzalez, President and CEO of HACE, and Nathan McCann, Community First Fund Vice President of Community Lending in the Greater Philadelphia Region.



Focused revitalization programs in distressed communities generate diverse, mixed-income neighborhoods where families are safe and children have access to better schools. A safe and affordable home creates stability, allowing individuals to pursue advanced education and sustainable, high-quality jobs. In our history, we have financed over 1,950 housing units in the region we serve.

Catalyst: Collaboration in Philadelphia

EXTENDING OUR REACH TO HELP UNDERSERVED COMMUNITIES



Kensington Lending Partnership Philadelphia

In March 2019, Community First Fund joined forces with three other economic development organizations to cultivate opportunities in Philadelphia. The Kensington Lending Partnership (KLP) is a Community Development Financial Institution collaborative created to revitalize the Kensington Avenue community and commercial corridor in Eastern North Philadelphia.

The KLP, which includes Community First Fund, FINANTA, Impact Services Corporation's Impact Loan Fund, and LISC Philadelphia, supports small business and mixed-use development and increases entrepreneurship and affordable housing opportunities for Kensington residents. Working together, they ensure that community members have unprecedented access to financing resources, business advisory services, and budgeting support for first time homeowners.

In 2018, the four member organizations worked together to participate in the JPMorgan Chase Foundation's annual Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) CDFI Collaborative competition, aimed at promoting inclusive growth through collaboration. As a result, JPMorgan Chase awarded a \$5 million grant to the KLP. In the years to come, the partners will extend pathways to collaboration between community and funding partners who are equally invested in the longevity and resilience of Kensington.



IMPACTING OUR COMMUNITY

Community First Fund provides the financial and human resources necessary to help low income communities and people, especially People of Color, create economic opportunity 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.

since 1992

1,839

business and
community
development
projects
financed



\$240 MILLION

of financing provided

8,973

JOBS CREATED

and retained



80%

of loans benefit low income
people and communities

\$40 MILLION

in financing to community
SERVICE ORGANIZATIONS



\$15 MILLION

in financing for
healthy food activities



51%

of loans to
businesses owned by
PEOPLE OF COLOR



\$7 MILLION

to finance accessible healthcare

1,957

housing units financed



5,230,484

square
feet

of commercial real
estate financed



7,235

child care
opportunities
financed



5,904

educational
opportunities
financed

2019 FINANCIAL HIGHLIGHTS

During Fiscal Year 2019, Community First Fund maintained strong performance and financial health. **The core loan fund increased 27.7%** in the fiscal year, rising to **\$54 million in loans outstanding** and **total capital under management grew 4% to \$151 million**. During this fiscal year we once again had good repayment performance, with **limited net loan losses of only .5% of the total portfolio**.

Net assets of \$16 million at the end of FY 2019 represented a **19% increase** over the end of our fiscal year in 2018. **Net assets were 25%**

of total assets, ensuring resources for continued growth and reserves for the protection of investors. Community First Fund's **self-sufficiency ratio at June 30, 2019 was 80.2%**. 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**.

Community First Fund holds an outstanding Aeris rating of Four Star AA Policy Plus. This is an indication that our impact alignment is among the best in the industry, our financial performance is strong, and our policy and advocacy efforts are being recognized.

Financial Statement (as of June 30)

Financial Position Data

	2017	2018	2019
Total Assets	\$47,204,228	\$59,716,742	\$65,890,024
Total Liabilities	\$34,507,015	\$46,186,830	\$49,746,210
Total Net Assets	\$12,697,213	\$13,529,912	\$16,143,814
Total Liabilities and Net Assets	\$47,204,228	\$59,716,742	\$65,890,024

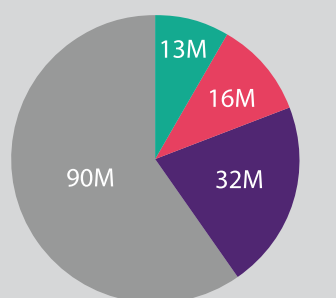
Statement of Activities Data

	2017	2018	2019
Total Income	\$6,472,346	\$7,464,449	\$9,052,601
Total Expenses	\$4,763,625	\$6,642,263	\$6,438,699
Change in Net Assets	\$1,708,721	\$822,186	\$2,613,902

Total Capital Under Management

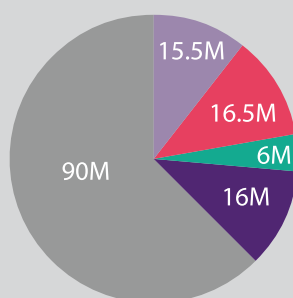
	2017	2018	2019
Loan Capital	\$45,204,536	\$55,336,460	\$60,930,089
New Markets Tax Credits	\$80,000,000	\$90,000,000	\$90,000,000
Total Capital Under Management	\$125,204,536	\$145,336,460	\$150,930,089

Capital Under Management



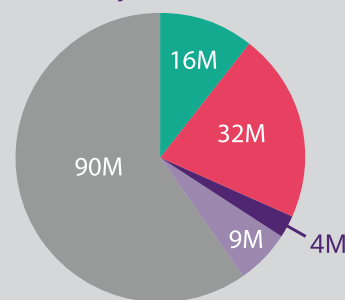
- Equity Equivalent
- Net Assets
- Investment Capital
- New Markets Tax Credits

Loan and Investment Portfolio by Type in Dollars



- Small Business
- Business Real Estate
- Housing Development
- Community Services
- New Markets Tax Credits

FY19 Financing Capital by Source



- Net Assets
- Financial Institutions
- Religious Orgs., Corporations, Individuals
- Government & Other
- New Markets Tax Credits

THANK YOU TO OUR INVESTORS AND CONTRIBUTORS

INVESTORS

(Cumulative as of 6/30/2019)

ACNB Bank
The Annie E. Casey Foundation
Anonymous
Bank of America
BB&T Bank
Daniel Betancourt
James E. and Linda J. Buerger
Bryn Mawr Presbyterian Church
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Bryn Mawr Trust Company
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Faith United Church of Christ
Ferree Foundation
First Citizens Community Bank
F.N.B. Corporation
Fulton Bank
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I-LEAD Charter School
Jonestown Bank and Trust Company
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M&T Bank
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Mercy Partnership Fund
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Opportunity Finance Network
Orrstown Bank
PA Department of Community and
Economic Development
Penn National Holding Corporation
PeoplesBank
PNC Bank

QNB Bank
Sisters of St. Francis of Philadelphia
TD Bank
Tompkins VIST Bank
Univest Bank and Trust Co.
U.S. Department of Agriculture
U.S. Small Business Administration
Wells Fargo Bank
Wells Fargo Regional Community
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D. Douglas Whiting
Wyomissing Foundation
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(During FY 2019)

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 Tabor Community Services
 TD Charitable Foundation
 Third Street Partners
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 U.S. Small Business Administration
 U.S. Treasury Department, CDFI Fund
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OUR REGION OF IMPACT



Headquartered in Lancaster
with offices in York, Harrisburg, Reading, Allentown, and Philadelphia



COMMUNITY FIRST FUND

communityfirstfund.org