AN EXTRAORDINARY YEAR
2020 ANNUAL REPORT
We have all heard the same words and phrases to describe 2020 – devastating, chaotic, exhausting, surreal, uncertain – all part of the “new reality” in these “unprecedented times” and “uncharted waters”. At Community First Fund, our team, our clients and our communities experienced them all. Yes, it certainly was an extraordinary year that brought both challenges and successes.

When we reflect on this past year, it’s easy to see that it was far from business as usual. As a result, the content of this annual report is different from previous years. We are taking this opportunity to share how our extraordinary team rallied and worked together to help thousands of small business owners and nonprofit organizations across Pennsylvania.

Hopefully, this extraordinary time will soon end. Regardless, we remain committed to transforming communities, advancing opportunity, and creating prosperity when and where it’s needed most.
Dear Friends:

As you know, 2020 was an extraordinary year. The COVID-19 pandemic affected every aspect of our daily lives and had a devastating impact on the small businesses and communities we serve. During this time, Community First Fund responded quickly by adapting our daily operations to provide critical support and financial assistance to those most deeply affected.

Before COVID-19 hit, the first eight months of our fiscal year showed continued growth for Community First as we worked to build vibrant communities in central and eastern Pennsylvania. Then, in spite of the pandemic, our lending activity reached a historic high of $42.5 million. 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 nearly another $9 million in public and private funds into our region.

Everything changed in March of 2020. From that point on, our entire organization pivoted to address the urgent, financial needs of our clients and other small business owners impacted by COVID-19. In this report you will find an overview of how we provided relief to our clients and the federal, state, county, and city programs we administered throughout 2020.

Additionally, in the midst of the pandemic, we finalized a long-planned merger with FINANTA, a community lending institution in Philadelphia. You would think the timing for this merger was challenging. In reality, the timing was ideal as it allowed our two combined organizations to provide assistance to even more businesses during this crisis. You will learn more about the merger in this report.

We also witnessed tragic events resulting from deep-rooted systemic racism that is a reality of life for People of Color. We are very aware of the impact racism has on the health, education and economic well-being of millions of Americans. Our Black, Latino, Asian, and immigrant clients must contend with these racial and economic disparities every day. All of this has strengthened our resolve as a social justice organization to advance economic opportunities and create prosperity in our communities.

We are grateful for the support you have provided over the past years and during this time of crisis. Thank you for making it possible for us to further our commitment to transforming lives and communities.

Sincerely,
Daniel Betancourt and Jonathan Bowser
On July 1, 2020, Community First Fund and Philadelphia-based FINANTA joined forces as one, larger community development financial institution (CDFI) that allows us to have a greater impact and drive change in the communities we serve.

Starting in the 1990’s, Community First and FINANTA operated as separate CDFIs, both providing access to capital for people often underserved by traditional banks. Our shared passion for promoting economic equality and advocacy for People of Color, women and immigrants has been evident throughout the history of both organizations.

Over the years, our CEO Daniel Betancourt built a strong partnership with Luis Mora, President and Founder of FINANTA. In 2018, Community First Fund and FINANTA began working more closely through the Kensington Lending Partnership. As our shared work evolved, it became evident that by deepening our collaboration we could significantly strengthen the services and loan products we offer in the market and substantially expand the number of people served. This successful partnership fulfilled Luis’ vision of two organizations joining together to serve People of Color and immigrants in Philadelphia’s low-income communities.

Merging in the middle of a pandemic might raise some questions. So, why do it? Plans for the merger had been underway for over a year and Luis Mora had scheduled his retirement for July 2020. In the months leading up to the July date, Community First and FINANTA worked together on both the US SBA Paycheck Protection Program and the COVID-19 Relief Pennsylvania Small Business Grant program. Ultimately, this joint effort funneled millions of dollars into some of the most economically challenged communities in the nation. Together, we provided hardworking entrepreneurs with access to relief programs and funding that helped them keep their businesses afloat. This made it clear that the merger could not be delayed.

Moving forward as Community First Fund, our combined organization will continue to drive our mission and offer an expanded scope of products and services in our 20-county footprint in Pennsylvania, Delaware and New Jersey.

“Working with FINANTA as a partner in Philadelphia made it clear we could achieve much more in the market if we joined forces. Together we are stronger, and our combined resources can only increase the number of businesses and nonprofits we can serve in the future.”

Daniel Betancourt, President and CEO
DAVID CHRISTIAN - MIRACLE JOY MOTOR, PHILADELPHIA
David, an Indonesian immigrant, first came to FINANTA in 2019 seeking technical and financial assistance for his business and personal life. With our help, he was able to open his first bank account, obtain his first business loan through the Affinity Group Lending Program, and formalize his auto repair business. We also provided David and his wife with their first mortgage, allowing them to move their family from a small apartment into a single family home.

MUSA BARRY - UNCLE MUSA’S GROCERY STORE, PHILADELPHIA
Since he opened his neighborhood grocery store in 2013, Musa has served as a leader in Philadelphia’s Woodland Avenue business district and has assisted other African immigrant entrepreneurs. He has secured multiple loans from FINANTA and is an active member in our Affinity Group Lending Program. Today, Musa owns and operates three successful businesses: two African grocery stores and a clothing and apparel store.

SILVIA PAULINO - SILVIA’S BAKERY, PHILADELPHIA
Five years ago, Silvia started her journey with FINANTA through the Affinity Group Lending Program. Since then, we provided her with hours of technical assistance and multiple loans to expand her Dominican bakery business. In January 2020, she relocated her bakery to a larger property, which she purchased and renovated. Today, Silvia and her 12 employees serve a growing number of individual customers and wholesale accounts.
The COVID-19 pandemic affected almost every aspect of our lives, but of particular significance to Community First was the devastating impact it had on small businesses and nonprofit organizations in the region we serve and throughout Pennsylvania.

These extraordinary times called for extraordinary measures. In response to the urgent needs of our clients and community partners, we jumped into action. There is strength in numbers and we realized that collaborating with other CDFIs, economic development partners and all levels of government would be the best way to provide relief for those that needed it most.

Our team worked tirelessly to execute numerous loan and grant programs, many simultaneously. As of December 31, 2020, this extraordinary effort resulted in over 4,600 loans and grants awarded totaling approximately $90,459,000. Individual relief programs are summarized on the following pages.

US SBA PAYCHECK PROTECTION PROGRAM

In March 2020, the SBA Paycheck Protection Program was launched as part of the federal CARES Act. This program was developed to provide small businesses and nonprofit organizations with funds to cover payroll costs and other eligible expenses.

Soon after the program was rolled out, it became apparent that many of our clients experienced challenges with accessing the program. In response to this opportunity gap, Community First made a concentrated effort to promote the PPP Program to businesses located in low-income communities and owned by People of Color.

Client shown: Jason Lindenmuth, Mission Screen Printing, Bally, PA

• NUMBER OF ROUND 1 PPP LOAN RECIPIENTS: 461
• TOTAL AMOUNT: $15,784,735
  • 69% TO PEOPLE OF COLOR
  • 50% TO WOMEN
COVID-19 RELIEF PENNSYLVANIA SMALL BUSINESS GRANT PROGRAM

Funded by Governor Wolf’s administration, the COVID-19 Relief Pennsylvania Statewide Small Business Assistance Program was a $225 million grant program for small businesses impacted by business closure orders due to COVID-19. At the urging of members of the state senate, the Pennsylvania CDFI Network was tapped to administer the program.

The PA CDFI Network is comprised of 17 mission-driven financial institutions, including both Community First Fund and FINANTA. These CDFIs leveraged their shared resources, expertise and extensive local networks to provide access to the grant program in all 67 Pennsylvania counties. Daniel Betancourt, chair of the Network, played a vital role in the development of this first-of-its-kind statewide collaboration.

- **NUMBER OF GRANT RECIPIENTS:** 10,940
- **TOTAL AMOUNT AWARDED:** $190,000,000
  - 50% TO PEOPLE OF COLOR
  - 55% TO WOMEN

The Community First Fund team rallied to assist all the small businesses that applied for the COVID-19 Relief Pennsylvania Statewide Small Business Assistance Program through our website.

- **NUMBER OF GRANT RECIPIENTS:** 2,585
- **TOTAL AMOUNT AWARDED:** $45,340,283
  - 60% TO PEOPLE OF COLOR
  - 55% TO WOMEN
Unfortunately, challenges with accessing funds through federal and state programs left many small businesses and nonprofit organizations looking for additional help. Utilizing our resources and “boots-on-the-ground” experience, Community First collaborated with local governments and economic development organizations to create and administer targeted relief programs for counties and cities in our region. These partnerships allowed us to provide thousands of small business owners and numerous nonprofit organizations with the financial assistance needed to overcome the devastating economic impact of the pandemic.

**YORK COUNTY, PA**

The **YoCo Strong Restart Fund** was developed by the York County Commissioners, York County Economic Alliance and Community First to support small businesses and nonprofit organizations located in York County.

Client shown: Nathan & Lisa Novak, The Fig & Barrel Pub, York

- **NUMBER OF GRANT RECIPIENTS:** 955
- **TOTAL AMOUNT AWARDED:** $16,474,689
  - 31% TO PEOPLE OF COLOR
  - 44% TO WOMEN

**BERKS COUNTY, PA**

The **Berks County Small Business New Start Grant Program** was developed by the Berks County Commissioners, Greater Reading Chamber Alliance and Community First. This program, part of the Rebuild Berks Initiative, was designed to support small businesses located in Berks County.

Client shown: Erick Towles, E.T. Electric, Reading

- **NUMBER OF GRANT RECIPIENTS:** 473
- **TOTAL AMOUNT AWARDED:** $11,225,500
  - 46% TO PEOPLE OF COLOR
  - 44% TO WOMEN
CITY OF LANCASTER, PA
The Lancaster City Small Business Emergency Fund was created by the City of Lancaster, ASSETS and Community First to provide emergency financial relief in the form of a loan or grant to small businesses located in the City of Lancaster. Community First administered the small business loan portion of the program.

Client shown: Andre Gonzalez, The Vintage Clipper, Lancaster

- NUMBER OF LOAN RECIPIENTS: 24
- TOTAL AMOUNT IN LOANS: $541,000
- NUMBER OF GRANT RECIPIENTS: 118
- TOTAL AMOUNT IN GRANTS: $274,400
  - 50% TO PEOPLE OF COLOR
  - 57% TO WOMEN

CITY OF READING, PA
The Reading Small Business Emergency Fund was created by the City of Reading and Community First to provide forgivable loans to small “mom-and-pop” businesses located in Reading, PA.

Client shown: Lourdes Peralta, Sarai Variety Flowers Shop, Reading

- NUMBER OF FORGIVABLE LOAN RECIPIENTS: 127
- TOTAL AMOUNT: $957,500
  - 94% TO PEOPLE OF COLOR
  - 51% TO WOMEN

CITY OF LEBANON, PA
The Lebanon City Small Business Recovery Assistance Program was developed by the City of Lebanon and Community First Fund to provide forgivable loans to small businesses located in Lebanon, PA.

Client shown: Dwayne Spencer, The Timeless Café, Lebanon

- NUMBER OF FORGIVABLE LOAN RECIPIENTS: 36
- TOTAL AMOUNT: $135,000
  - 61% TO PEOPLE OF COLOR
  - 55% TO WOMEN
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. Community First Fund and FINANTA’s commitment to supporting high impact projects in our region has resulted in the following successes.

**EXTRAORDINARY IMPACT SINCE 1992**

- 5,592 business and community development projects financed
- $355 million of financing provided
- 71% of loans to business owned by People of Color
- 20,551 jobs created and retained
- 80% of loans benefit low income people and communities

Client shown: Milagro House, Lancaster
$83.5 MILLION
IN FINANCING TO COMMUNITY SERVICE ORGANIZATIONS

7,973
CHILD CARE OPPORTUNITIES FINANCED

$23.7 MILLION
IN FINANCING TO HEALTHY FOOD ACTIVITIES

7,892
EDUCATIONAL OPPORTUNITIES FINANCED

2,694
HOUSING UNITS FINANCED

5,562,320
SQUARE FEET OF COMMERCIAL REAL ESTATE FINANCED

$7.7 MILLION
IN FINANCING TO ACCESSIBLE HEALTHCARE

42%
OF LOANS TO WOMEN-OWNED BUSINESSES
As the year 2020 unfolded we experienced many extraordinary things, including the joining of two organizations into one that is now poised to support millions of people throughout our region with opportunities to build wealth and to improve their communities.

Because we blended the two companies during 2020, we are presenting all financial information in this annual report – historical and current – on a consolidated basis.

Data shows that in fiscal year ending June 30, 2020, we enjoyed continued growth in total assets of nearly 42% since 2018, reaching a new milestone of more than $100 million in total assets. The majority of assets are made up of our loans to business entrepreneurs and community developers, affordable housing organizations and key social service organizations aligned with our mission.

During this fiscal year we continued to experience limited loan losses of only 0.36% of the portfolio. A key factor in maintaining limited losses was strong communication with borrowers as the pandemic unfolded in mid-2020. We also provided support for clients with federal and local relief funding. Our combined capital under management shows strong growth, increasing 19.2% since 2018.
The two charts below present consolidated historical information on our extraordinary growth over the past seven years. Since 2014 we have experienced growth of 160% in total assets and growth of more than 246% in our capital under management.

Community First Fund holds an outstanding AERIS rating of AA Four Star 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.
EXTRAORDINARY SUPPORT

Consolidated Community First Fund & FINANTA listing

INVESTORS
(Cumulative as of 6/30/2020)
ACNB Bank
The Annie E. Casey Foundation
Anonymous
Bank of America
BB&T Bank, now Truist
Daniel Betancourt
Bryn Mawr Presbyterian Church Foundation
Bryn Mawr Trust Company
James E. and Linda J. Buerger
Catholic Worker House
Citizens
Commonwealth Cornerstone Group
Credit Builders Alliance
Customers Bank
Episcopal Diocese of Central PA
Faith United Church of Christ
Ferree Foundation
First Citizens Community Bank
First National Bank of Pennsylvania
Fulton Bank
Alexander, III and Molly S. Henderson
HSBC Bank USA
I-LEAD Charter School
Jonestown Bank and Trust Company
Noel Karasin
Cinthia M. Kettering
Lancaster County Community Foundation
Erika E. Lauffer
M&T Bank
Malvern Federal Savings Bank
Mercy Partnership Fund
Mid Penn Bank
Northwest Bank
Opportunity Finance Network
Orrstown Bank
PA Department of Community and Economic Development
PA Treasury Department
Penn National Holding Corporation
PeoplesBank
PNC Bank
QNB Bank
Santander Bank
Sisters of St. Francis of Philadelphia
Surdna Foundation
TD Bank
Tompkins VIST Bank
Traditions Bank
Univest Bank and Trust Co.
U.S. Department of Agriculture
U.S. Department of the Treasury, CDFI Fund, Community Investment Fund
U.S. Small Business Administration
Wells Fargo Bank
Wells Fargo Regional Community Development Corporation
D. Douglas Whiting Wyomissing Foundation

CONTRIBUTORS AND OPERATIONAL GRANTS
(During FY 2020)
ACNB Bank
Lenin Agudo
The Annie E. Casey Foundation
Amaia Apellaniz
Appel, Yost & Zee LLP
Cristian Ardon and Lydia Walker
ASSETS
Flor Aviles
Kersy Azocar
The Bancorp
Bank of America
Bank of America Charitable Foundation
Scott and Ashley Bankos
Chris Banks
Sonny Banks
BB&T Bank, now Truist
Daniel and Karen Beck
Belary Enterprises, LLC
Leslie Benoliel
Berks Alliance
Bertz, Hess & Co., LLP
Daniel Betancourt
Eli Betancourt
Elizabeth Betancourt
Esther Betancourt
Paul Betancourt
Nancy Bieber
Jill and Roy Bollinger, III
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James E. and Linda J. Buerger
Warren and Katie Bulette
Chad Bumbaugh
Michael Caffrey
Max and Tina Campbell
Capital One
Chip, Jr. and Rebecca Cargas
Cargas Systems
Michael R. Carper
Pitou Chen
Citizens
City of Lancaster
City of Philadelphia Department of Commerce
Kalif Coates
Kassandra Colon
Annalis, Crannell and Neil Gussman
Credit Builders Alliance
Customers Bank
Tracy Daniels
Jim and Ruth Devine
Donna and David Schankweiler Charitable Fund
Courtney Driscoll
Duane Morris, LLP
Ellen Eager
Economic Justice Fund of Tides Foundation
Mario Ellis
Roxxanna Encarnacion
Theresa Eutsey
Kenneth and Diane Falk
First Citizens Bank
Fulton Bank
Fulton Forward
Jeanne Fields
Jamie Frey
Claudia Galdamez
F. Edward, III and Natalie S. Geiger
Give Local York
Goldman Sachs
Ed and Jean Gordon
Greater Berks Development Fund
Wayne Groff
Suzanne Grounard
Kenneth and Katie Hammaker
Antonio Hammond, II and Danielle Betancourt-Hammond
Michael Harter
Marilyn Hedge
Henrietta Heisler
David Hendricks
Jenny Herrera
Monica Herrera
Dale and Sadie High
High Companies
HIGH Foundation
Holberg Design Inc.
HSBC Bank USA
D. Page Huey
John Hursh
Shannon Jefferson-Stellato