



**Seeds of Change**

COMMUNITY FIRST FUND  
2007 ANNUAL REPORT

For 15 years... powering community prosperity through capital.

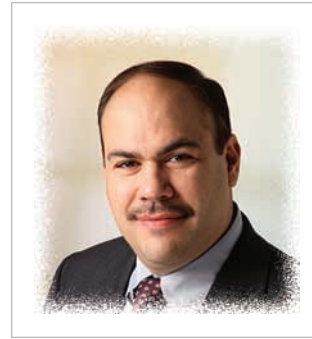
# Dear Friends:

**W**HEN CONSIDERING THE THEME OF THIS ANNUAL REPORT, WE SOUGHT TO TIE TOGETHER THE MANY FACETS OF OUR 15-YEAR STORY. This report is not just a reflection of our past fiscal year, but rather a retrospective look at our history and how that history is shaping our plans for the future. Consequently, “*Seeds of Change*” was born.

*Seeds of Change* has been brought to life with images of dandelions—a durable plant whose seeds create not one, but numerous new plants. In business terms, the dandelion represents the independent, hardworking entrepreneur who, in growing his or her business, improves the lives of employees and the surrounding community. The loans and technical assistance that Community First Fund has provided and continues to offer to entrepreneurs are the first seeds that lead to change.

*Seeds of Change* also exemplifies the findings of our intensive market research and branding process, one result of which is our new logo. Community First Fund’s logo now truly represents the impact we make in the communities we serve: a positive economic effect that is set into motion each time a loan is made, resulting in increased opportunities. And opportunity is an impetus for change that goes well beyond a single individual or business; it ripples throughout an entire community—creating jobs, generating income, and enabling homeownership, all of which lead to lasting economic growth and prosperity.

During the past fiscal year, we had many accomplishments which align with our five-year strategic plan introduced last year. In the area of expansion and growth, Community First Fund hired a Managing Director of Lending and a Director of Real Estate Lending while increasing the loan fund to more than \$10 million. Organizational impact was evident with the disbursement of our 600th loan since inception. These loans total more than \$16 million. In the area of capitalization, Community First Fund diversified funding sources and secured several large investments for the loan fund.



**Daniel Betancourt**  
President and Chief Executive Officer



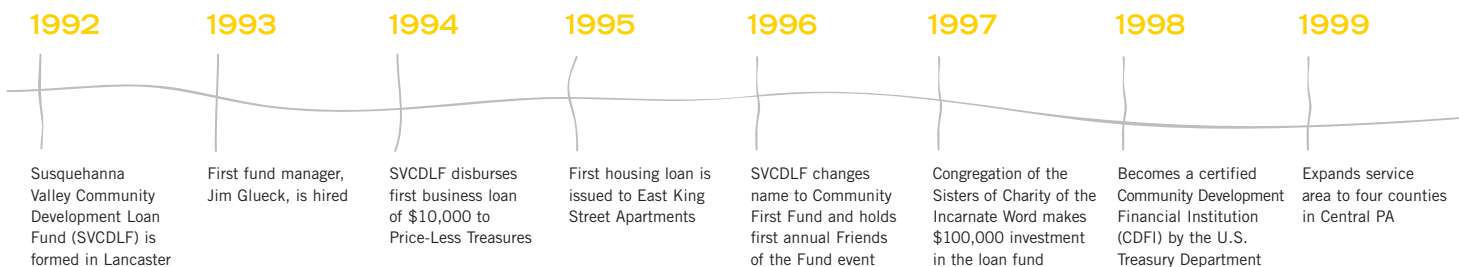
**Robert Torres, Esquire**  
Chair, Board of Directors

Community First Fund has continued to create a business model for the Community Development Financial Institutions (CDFI) industry and, with the help of our talented VISTA members, made great strides in organizational efficiency and documentation of our best practices. Community First Fund further increased its leadership role through involvement on state and national boards of directors, congressional testimony, and the development of a *Small Cities Strategy* that will guide our advocacy efforts.

The many changes sown by our activities throughout the years affirm Community First Fund’s commitment to its vision of ***a future where opportunities for economic prosperity are available to everyone in the communities we serve.***

Of course, all of this progress could not have been possible without your continued support. We truly appreciate the many people and organizations that have contributed to our growth and allowed us to provide the *seeds of change* that we will continue to plant.

*Daniel Betancourt*  
*Robert Torres*



# The Vision of Jim Hyson



In the very first issue of our newsletter, *Community Works*, the fund's founder, Jim Hyson, wrote about the vision of the founding team. He wrote, "While we do not profess to be miracle workers, we believe that our efforts will serve as a catalyst to unleash the wealth of creative talent and energies which exist in our backyard."



**James W. Hyson**  
Founder

**1992** Susquehanna Valley Community Development Loan Fund (SVCDLF) is formed in Lancaster

**1993** First fund manager, Jim Glueck, is hired  
  
SVCDLF surpasses operational capital goal of \$75,000

---

Community First Fund came out of a vision for economic development that would be bottoms-up and committed to justice and community. Community First Fund was a work of community activism. I am grateful to all who have worked, and continue to work, on behalf of this vision.

**ANTONIO CALLARI**, Founding Board Member; Former Chair, Board of Directors

---

From the very beginning, Community First Fund has been dedicated to helping individuals realize their dreams. They provide that extra measure of support and technical knowledge, always putting the client's needs first. In a sense, I've always thought of us as dream weavers.

**BETTY HURDLE**, Founding Board Member; Former Chair, Board of Directors

**2000**

Tops \$1 million mark in loans disbursed

**2001**

Becomes certified as Small Business Administration (SBA) microlender

**2002**

Becomes certified U.S. Department of Agriculture microlender

**2003**

Purchases building in downtown Lancaster for corporate headquarters

**2004**

Awarded "HP 2004 Micro-Enterprise Development Program Award"

**2005**

Receives "2005 Minority Small Business Champion Award" from regional SBA Office (Philadelphia)

**2006**

\$10 million in loans disbursed to date

**2007**

600th loan approved



# Regional Impact: More than 600 Loans,

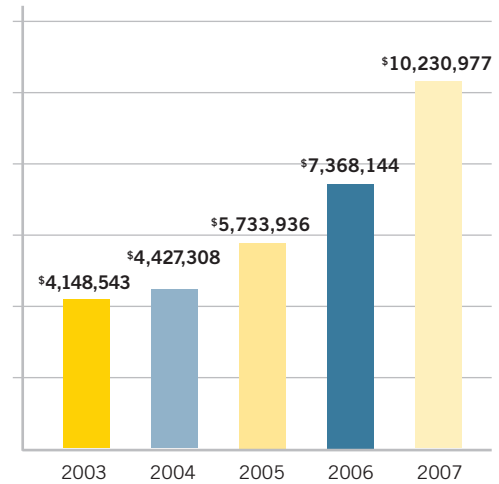
The regional map to the right depicts the breadth and depth of Community First Fund's lending activities throughout its 13-county service area. It is comprised of data points for the more than 600 loans made since inception and clearly shows that many loans are concentrated in close proximity and in many cases indicate multiple and/or repeat borrowers. The map also illustrates Community First Fund's commitment to support the region's rural areas.

## Sustaining Growth

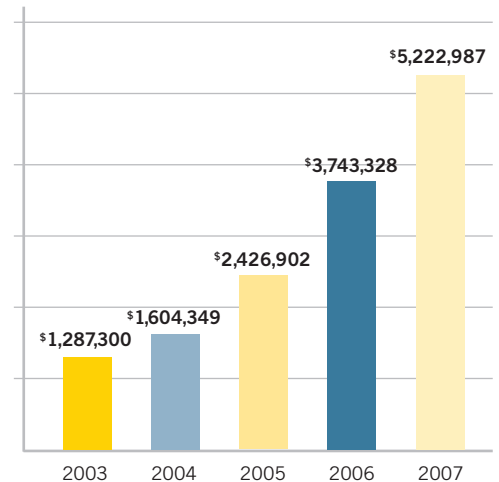
The bar graphs show Community First Fund's *Loan Fund Growth* and *Total Loans Disbursed* during the past five years. During this timeframe of 2003–2007, Community First Fund's activities have resulted in the creation or retention of at least 1,300 jobs and in the creation of more than 120 new units of affordable housing. During the past two years, with the introduction of Community First Fund's new commercial real estate loan product, more than 150,000 square feet of commercial space has been financed, most of which is located in areas of downtown revitalization or in low-income neighborhoods seeking to increase resident ownership of commercial real estate.

The pie charts of *Loan Types* and *Loans by Region* reveal how the 95 loans totaling \$5,222,987 were disbursed in fiscal year 2007. It is significant to note that the largest number of loans was made to small-business owners while the greatest monetary amount of funds disbursed was to mid-sized business owners. Of additional interest is that the number of loans disbursed by region directly correlates to how long each office has been open—Lancaster first, followed by York, Reading, Harrisburg, and Exton.

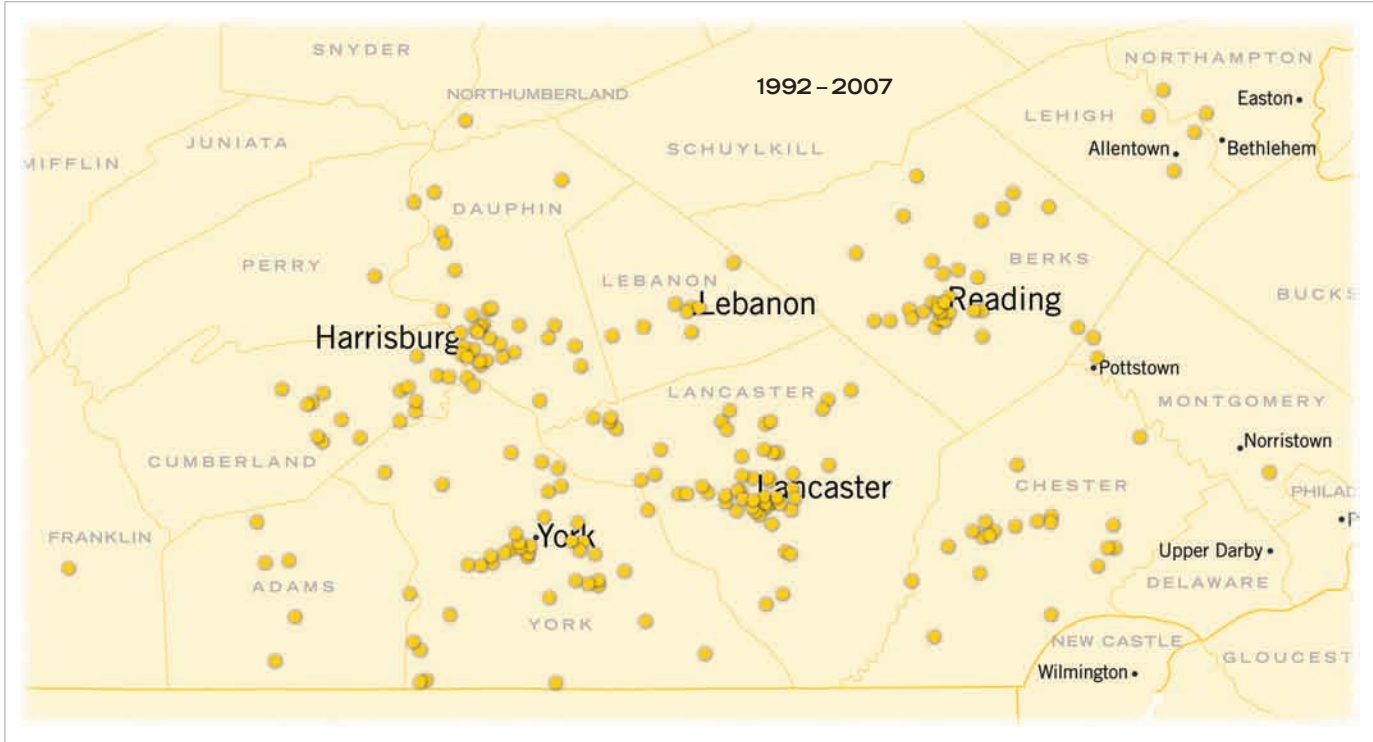
**Loan Fund Growth**  
2003–2007



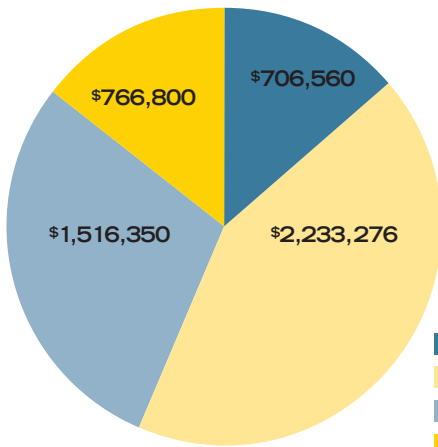
**Total Loans Disbursed**  
2003–2007



# More than \$16 Million in Loans Disbursed



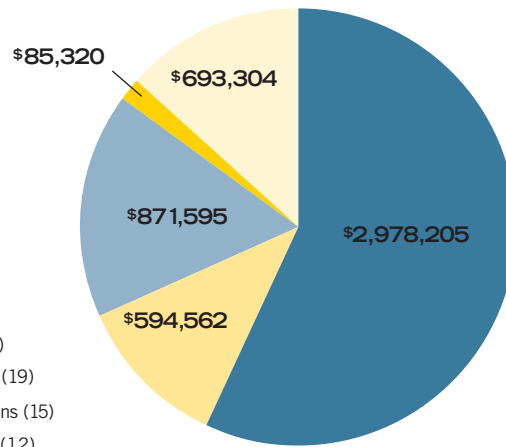
**Loan Types**  
Fiscal Year 2007



- Small-Business Loans (49)
- Mid-sized Business Loans (19)
- Commercial Real Estate Loans (15)
- Affordable Housing Loans (12)

**Total Loans (95)**

**Loans by Region**  
Fiscal Year 2007



- Lancaster Region (33)
- York and Adams Region (26)
- Berks and Lebanon Region (18)
- Capital Region (15)
- Chester Region (3)

**Total Loans (95)**



# COMMUNITY FIRST FUND'S Small Cities Strategy

**1994** SVCDLF disburses first business loan of \$10,000 to Price-Less Treasures

**1995** First housing loan is issued to East King Street Apartments

Since its founding and inception, Community First Fund has been committed to addressing the problems facing small cities—deteriorating downtowns, concentrations of poverty, and low rates of homeownership. Many of Community First Fund’s early loans were made to community organizations that address these needs, such as Housing Development Corporation, South Ann Concerned Neighbors, and SACA Development Corporation.

Community First Fund’s recently developed *Small Cities Strategy* builds on its mission and supports the revitalization of regional small cities and boroughs and the strengthening of their economies. The strategy employs a three-pronged approach: loans for commercial and mixed-use real estate projects to stimulate downtown business districts; loans in support of affordable housing, especially those for first-time homeowners and persons of low to moderate income; and micro and mid-sized business loans which help create new jobs and businesses.

## KENNETH & BARBARA HAMMEL

Hammel Associates Architects,  
Lancaster Two loans totaling \$825,000

Time and again, state agencies hear of well-meaning projects that would greatly enhance a community and the lives of its residents. The Building PA program was created to assist groups like Community First Fund in making more of these exciting community-revitalization projects a success, and we look forward to seeing how its \$2 million allocation will improve the lives of those living in south central and southeastern Pennsylvania.

**DENNIS YABLONSKY**, Secretary, Pennsylvania Department of Community and Economic Development

**I**T STARTED AS A HAT FACTORY. IT WAS THEN A DRUGSTORE, BOXING STUDIO, JEWELRY STORE, PIANO STORE, CANDY SHOP AND NOW A CHINESE RESTAURANT. The three-story building at 31–33 North Queen Street, located in the Lancaster Heritage Conservation District, has seen many occupants in its 139 years and is about to see more. Ken and Barbara Hammel are moving their office from its current downtown location to this building which is being renovated to accommodate not only their business office, but also a penthouse suite where



the Hammels will live. The Hammels and local developer John Meeder, who owns the property at 35–37 North Queen Street, partnered to renovate their buildings, which share common elements and will now be called “Center City Lofts, A Condominium.” When completed, the condo will house three retail shops on the street level, three businesses on the first floor, two apartments and the Hammel’s penthouse on the second floor, and another apartment on the third floor. Says Ken, “Community First Fund was very cooperative in meeting our need for financing—and it wasn’t simple for them because of our varied funding sources. Community First Fund was also very amenable in modifying our original loan terms when we ended up needing a larger loan.”

# CARLOS GONZALEZ

C.G. Plumbing & Electric, Inc.,  
Lancaster      Eight loans totaling \$188,700

## **N** EIGHBORHOOD REVITALIZATION HAPPENS HOME

**BY HOME.** This is the ethos of Carlos Gonzalez, owner of C.G. Plumbing & Electric, Inc. Since moving to Lancaster in the 1980s, Carlos has worked to improve his neighborhood. After working for a construction company, he decided to start his own business. In 2001, Carlos approached Community First Fund for a \$5,000 loan. With this loan and seven subsequent loans from Community First Fund, Carlos purchased 15 homes on South Ann Street and renovated them for resale.



The growth and success of Carlos' business result from his commitment to South Ann Street and from his family's dedication. His wife, Lucciola, serves as the accountant, and his son Carlo and nephew help him renovate houses. Following in his father's footsteps, Carlo recently received his first Community First Fund loan. "Community First Fund is wonderful," Carlos says. "They've believed in me and my view of making a profit in the neighborhood, not in the pocket."



- 1996** SVCDFL changes name to Community First Fund and holds first annual Friends of the Fund event
- 1997** Congregation of the Sisters of Charity of the Incarnate Word makes a \$100,000 investment in the loan fund, which is the largest investment to date; the congregation continues to invest today
- 1998** Becomes a certified Community Development Financial Institution (CDFI) by the U.S. Treasury Department





# Small Business Lending Strategy

**1999** Expands service area to four counties in Central PA

**2000** Tops \$1 million mark in loans disbursed

Community First Fund's first loan was for \$10,000, and until very recently, nearly every loan disbursed was less than \$35,000—defined as microloans by the Small Business Administration (SBA). As evidenced by our *Loan Types* chart on page four, microloans are still at the core of Community First Fund. Microloans can make the critical difference in an entrepreneur's success or failure, and Community First Fund is an avid supporter of programs that assist microentrepreneurs. On the national front, Community First Fund management has been a voice for small-business entrepreneurs by testifying before Congress in support of related SBA programs and serving on boards of national leadership organizations such as the Association for Enterprise Opportunity. In Pennsylvania, Community First Fund continues to provide leadership for the Pennsylvania Microenterprise Coalition and advocates for state funding and policies to assist microentrepreneurship programs throughout the Commonwealth.

## ROBERT MOSKO

Mosko Cemetery Monument Services,  
York County \$10,000 loan

### FUND FACT:

Total Jobs  
Created or Retained  
FY 2007

268 FULL-TIME JOBS  
215 PART-TIME JOBS

**P**ATIENCE, A KEEN EYE FOR DETAIL, RESPECT FOR HISTORY AND SUPERB CRAFTSMANSHIP MAKE ROBERT MOSKO THE GO-TO GUY IN THE WORLD OF CEMETERY CONSERVATION THROUGHOUT PENNSYLVANIA AND BEYOND. Desiring a career change nine years ago, Robert learned about the demand for skilled craftspeople to restore and preserve gravestones. He trained with masons, attended workshops through the Association of Gravestone Studies, and set up business in 1998.

Robert's business is unique in that he focuses solely on cemeteries—many others who work in the field are architects by trade. Furthermore, Robert completes a survey and assessment of each project in advance to help pinpoint factors that can contribute to gravestone damage, such as trees with dead limbs awaiting a strong storm. Assuming clients complete his recommendations, Robert guarantees his work for seven years.

People often tell Robert that his choice of business is odd. It might be untraditional, but he is happy being his own boss and says, "If you have the ambition and drive to be an entrepreneur, there is no reason why you can't; Community First Fund serves as a great resource."



# PATRICIA TILGHMAN

Tilghman Ultimate Cleaning Service,  
Chester County \$9,000 loan



- 2001** Opens offices in York, Reading, and Harrisburg
- Becomes certified as Small Business Administration (SBA) microlender
- Begins offering business training classes

**N**OT MANY PEOPLE CAN SAY THAT THEY LOVE TO CLEAN, WHICH IS WHY PATRICIA RENEE TILGHMAN IS IN BUSINESS. Patricia has 45 clients, both individual homeowners and corporate clients, and she employs four part-time workers who know how to make things shine. Patricia and her staff not only surface clean, but for an additional fee will also do more extensive cleaning, of refrigerators and fireplaces, for example.



Patricia will even do laundry and “emergency” house cleanings.

Patricia initially worked with the Chester County Economic Development Council, which later partnered with Community First Fund to administer her loan. With this financing, she was able to purchase a second van so that two teams can work simultaneously. As a result of her steady growth during the past four years, Patricia will now be able to move her business from her home to an outside office. Ideally, she would like to be able to service 75 houses per week and have a staff of 12. “Community First Fund is very helpful and friendly and answers any questions I have. I will contact them again for help with my business plan – and a loan – as I work to expand.”

The enthusiasm, energy, and love of the instructor was evident in the training sessions.

**MARIA CHACON**, Lancaster entrepreneur who attended Core Four training

Community First Fund has become a key partner of the Pennsylvania Microenterprise Coalition (PMC). Working closely with organizations with similar missions such as ours, Community First Fund has been a driving force behind PMC’s efforts to forge a strong alliance of organizations dedicated to broadening awareness of the importance of microenterprise and advocating on behalf of local entrepreneurs throughout the Commonwealth.

**LESLIE BENOLIEL**, Executive Director, Philadelphia Development Partnership

## FUND FACT:

### Training Statistics FY 2007

Number of six-week “Core Four Small Business Planning” courses taught	<b>8</b>
Number of “Core Four Small Business Planning” graduates	<b>71</b>
Number of participants attending other courses	<b>132</b>



# Mid-sized Business Lending Strategy

**2002** Begins Weed and Seed partnerships in York, Reading and Lancaster

Becomes certified U.S. Department of Agriculture microlender

Awarded "Excellence in Lending" Award by Association for Enterprise Opportunities (AEO) and Deutsche Bank

As the number of micro business loans continued to increase and borrowers' businesses began to grow, Community First Fund's staff documented the need for larger business loans by its customers. Consequently, Community First Fund developed a new mid-sized business loan product. These loans provide not only the possibility for businesses to thrive but also result in the creation of new job opportunities in communities. In fiscal year 2007, Community First Fund was certified by the Small Business Administration as a lender under its 7(a) guaranty loan program. This designation allows Community First Fund to make larger loans than were previously possible to a wider range of entrepreneurs seeking to expand their businesses.

## CHRIS HOVAN & DAMOROW JONES

**Metals Your Way,  
Reading**     \$55,000 loan

**E**XCEPTIONAL SERVICE. INDIVIDUALLY TAILORED PRODUCTS. LAID-BACK PERSONALITIES. This combination of traits attracts customers to Chris Hovan and Damorow Jones, owners of Metals Your Way, a company specializing in custom-cut metals. When the previous owner wanted to sell his business, Damorow saw a perfect opportunity to buy from his boss. Chris and Damorow became business partners, a natural fit since the two have been friends for more than five years.



When Community First Fund expanded into Berks County, the Reading Chamber was able to provide them with office space and administrative support. Through this relationship, we were able to partner in the development of Berks County, and we continue to value the mission of Community First Fund today.

**ELLEN T. HORAN**, President and CEO, Greater Reading Chamber of Commerce and Industry

Through Jim Hufford of Community First Fund, the men obtained a loan for acquiring the business, as well as working capital. "We had no preconceived notions as to the process of obtaining a loan; Jim was thorough in explaining the entire process," noted Damorow. Chris commented on the experience of operating their business: "We have the opportunity to do something great; we can mold this company and watch it grow." When asked what the most rewarding part of owning Metals Your Way is, they simultaneously said, "I get to work with this guy!"



## JUAN & LISA GARCIA

El Sol Mexican Restaurant,  
Harrisburg \$100,000 loan

**B**OASTING AUTHENTIC MEXICAN CUISINE AT ITS FINEST, JUAN AND LISA GARCIA ARE THE PERFECT COUPLE TO OWN A RESTAURANT. Juan has more than 15 years of experience in the restaurant industry and firsthand knowledge of authentic cuisine (he grew up in the Guadalajara region of Jalisco, Mexico). Lisa has more than 10 years of experience in the hospitality industry and shares in Juan's understanding of Mexican culture, having spent time there after they married. It was only natural that the Garcias use their background to open an upscale restaurant in downtown Harrisburg.

Juan and Lisa worked with Ben Parra of Community First Fund to obtain financing for their start-up costs. "Community First Fund's loan helped cover expenses so that we were able to expand our menu options, making our business more popular and ultimately more profitable," noted Lisa. "While owning this restaurant requires a lot of juggling of our schedules—we have two small children—the experience has been rewarding in many ways."



**2003** Purchases building in downtown Lancaster for corporate headquarters

**2004** Community First Fund, Lancaster, moves to current location at 30 West Orange Street

The Women's Business Center opens

Awarded "HP 2004 Micro-Enterprise Development Program Award"

2004 Governor's Latino Commission Pride Award recipient for commitment to Pennsylvania's Latino community

Finalist for the U.S. Commerce Department's "Excellence in Economic Development" Award for Urban and Suburban Areas





# Business Growth Strategy

**2005** Participates in the strenuous and nationally acclaimed CDFI Assessment Rating System (CARS®) process and receives a rating of AA2: "exhibits solid financial strength, performance, and risk management practices"

Receives "2005 Minority Small Business Champion Award" from regional SBA Office (Philadelphia)

Community First Fund is proud of the fact that it is able to continue to serve the financing needs of its clients. Market research conducted this year found that clients are most appreciative of the lending and training staff's one-on-one attention and validation of their entrepreneurial skills and endeavors. Community First Fund is also proud of the fact that clients with successful track records often return to Community First Fund for assistance in growing their businesses. This is due to the quality technical assistance and customer service they receive. In fact, it is clients like these who inspired Community First Fund to broaden the types of products it offers.

## LEO RODRIGUEZ

Hair at DFB Studios,  
Lancaster

Three loans totaling \$43,389

**A** T AGE FOUR, A PICTURE OF VIDAL SASSOON'S SIGNATURE "BOB" HAIRSTYLE SET THE COURSE FOR LEO RODRIGUEZ'S LIFE. He knew from that moment that he was destined for hairstyling, and for 17 years, he has been one of the best in the industry. Leo is known for listening to his clients and catering to their desires. His current venture epitomizes these traits. Located next to the Marion Court Room restaurant in downtown



Lancaster, Leo's new salon will feature menus from the restaurant so hungry clients can have a bite to eat while being pampered and primped. His studio will also feature a lounge area with a flat-screen television and Wi-Fi connections so clients can work during their visit. Leo also envisions a deejay playing music on Lancaster's First Fridays. And as if that weren't enough to manage, Leo is often out of town doing freelance styling work for publications like *Philadelphia Style* magazine. But Leo always returns to Lancaster, where he says that the community has always been good to him. And, regarding Community First Fund, Leo says, "They are always there – it's plain and simple. Knowing that someone is there... I don't know where I would be without them."



# DAWN SHUGHART

Dawn & Associates Realty,  
Harrisburg Two loans totaling \$185,000



**2006** Largest investment to date: Bank of America, \$2 million

\$10 million in loans disbursed to date

**E**MPLOYER OF 23, OWNER OF TWO OFFICES, AND MOTHER OF THREE,

**DAWN SHUGHART IS A BUSY**

**WOMAN.** Her energetic personality

and go-getter attitude are evident

to everyone she meets. Venturing

into real estate in 1999, Dawn

quickly discovered her talent not

only as an agent, but also as a

leader. She was honored in 2007

as one of Pennsylvania's 50 Best

Women in Business. Dawn believes

that all individuals deserve the

chance to become homeowners, and

first-time buyers are always

welcome at her realty. Noticing a

lack of knowledge concerning the

ins and outs of homeownership,

Dawn now leads seminars for men

and women interested in real estate

investment.



Dawn approached Community First Fund for a loan to renovate her

second office in Harrisburg, and later for a second loan to develop

her commercial real estate project in Carlisle, *Dawn Commons*.

"This has always been my vision, and I had to see it through. Right

away, I realized the need to look at innovative lending options, and

Community First Fund fulfilled that need." Dawn's vision continues

to expand, with the possibility of a third office in the future.





**2006** Finalist for the “Nonprofit Innovation Award: Operations and Technology” given by the *Central Penn Business Journal*

Exton office opens; service area now encompasses 13 counties



## **GRANTORS - PERMANENT LOAN CAPITAL**

Bank of Hanover  
 Bank of Lancaster County  
 Christ Church United Church of Christ  
 County of Lancaster  
 Reverend William and Jane Daniels  
 First Energy Foundation  
 Richard and Sandra Fluck  
 Foundation of the York County Chamber of Commerce  
 Paul and Catherine Gregory  
 T. Jerome Holleran  
 John F. Horrigan  
 J.C. Ehrlich Co., Inc.  
 The James Hale Steinman Foundation  
 The John Frederick Steinman Foundation  
 Leslie and Jill Jones  
 Lancaster Alliance  
 Lancaster County Community Foundation  
 Lancaster County Housing and Redevelopment Authority  
 Linda Lestz, Stengas Publishing Co.  
 Marlin Miller, Jr. Family Foundation  
 Raymond Neag  
 Opportunity Finance Network  
 PA Commission on Crime and Delinquency-Weed and Seed Program  
 PA Department of Community and Economic Development  
 Rotary Club of Lancaster  
 Edmund and Ingrid Ruoff  
 Sovereign Bank  
 Scott and Amanda Spencer  
 Susquehanna Bank PA  
 Sweet Street Desserts  
 Team Pennsylvania Foundation  
 U.S. Department of Agriculture  
 U.S. Department of Housing and Urban Development  
 U.S. Treasury Department-Community Development Financial Institutions Fund  
 Solomon and Barbara Wank  
 Wyomissing Foundation

## **INVESTORS (CUMULATIVE)**

Bank of America  
 Bank of Hanover  
 Bank of Lancaster County  
 David and Anne Bushnell  
 Catholic Campaign for Human Development  
 Catholic Worker House  
 Citizens Bank  
 Community Banks  
 Congregation of the Sisters of Charity of the Incarnate Word  
 Episcopal Diocese of Central PA  
 Faith United Church of Christ  
 Franciscan Sisters of Mary  
 Fulton Bank  
 Molly and Alex Henderson  
 John and Cynthia Irwin  
 Edward and Cabell Kladky  
 Lancaster Newspapers, Inc.  
 Erika and Max Lauffer  
 M&T Bank  
 Mellon Bank  
 Opportunity Finance Network

Pennsylvania Department of Community and Economic Development's Pennsylvania Community Development Bank  
 Carl S. Pike, Ph.D.  
 PNC Bank  
 Sisters of St. Francis of Philadelphia  
 Sovereign Bank  
 Reverend Kenneth and Marilyn Trauger  
 John P. Treier, Jr.  
 U.S. Department of Agriculture  
 U.S. Small Business Administration  
 Wachovia Regional Community Development Corporation

Lois K. Herr  
 T. Jermon Holleran  
 Robert and Dawn Hoppes  
 Housing Development Corporation/HDC3  
 J.C. Ehrlich, Co. Inc.  
 The James Hale Steinman Foundation  
 The John Frederick Steinman Foundation  
 Carolyne Jordan  
 Nancy V. Kambourglos  
 Dean M. Kline  
 Lancaster County Community Foundation  
 Lancaster County Housing Redevelopment Authority  
 Erika and Max Lauffer  
 Dwain S. London  
 M&T Bank  
 National Penn Bank  
 Caroline S. Nunan  
 PA Commission on Crime and Delinquency  
 PA Department of Community and Economic Development  
 Pennsylvania Microenterprise Coalition  
 Carl S. Pike, Ph.D.  
 PNC Bank  
 Reese, Pugh, Samley, Wagenseller & Mecum  
 Harriet and George Rosenstien  
 George Sanders  
 Souls for the Kingdom Fellowship  
 Sovereign Bank  
 Mark A. Stone  
 Shiraz Sugarwala  
 Susquehanna Bank  
 Sweet Streets Desserts  
 J. Kenneth and Marilyn Trauger  
 Union National Community Bank  
 U.S. Department of Agriculture  
 U.S. Small Business Administration  
 Wachovia Bank  
 Wagman Construction  
 Joseph Wagman  
 Solomon and Barbara Wank  
 Weinstein Realty Advisors  
 William and Phyllis Whitesell  
 York County Community Foundation

## **DONATIONS AND OPERATIONAL GRANTS (7.1.06 - 6.30.07)**

Louis J. Appell  
 Aspen Institute  
 Mary Anne Bacas  
 Bank of America  
 Bank of Hanover  
 Bank of Lancaster County  
 Barley Snyder, LLC  
 Leslie H. Benoliel  
 Bertz & Co.  
 Charles and Jean Byers  
 City of Lancaster  
 City of York  
 Community Banks  
 County of Chester  
 County of Lancaster  
 Annalisa Crannell  
 Martin A. Darocha  
 Dauphin County  
 Edward P. Drogaris  
 Economic Development Company of Lancaster County  
 Arnold and Tracy Feldman  
 Freedom Financial Wealth Management  
 Fulton Bank  
 Gwendolyn P. Glover  
 Peter and Caroline Greenfield  
 Harrisburg Regional Chamber and CREDC

Bank of America understands the important role of organizations like Community First Fund in delivering capital and knowledge to expand economic opportunity in low- and moderate-income neighborhoods. Community First Fund has a strong track record of establishing partnerships and benefiting the growth of the region. Our program-related investment of \$2 million displays our commitment to the leadership of Community First Fund, its strategic plan for growth—including new products delivered to its clients’ needs—and its plan for new branding opportunities.

**PATRICK KELLY**, Senior Vice President, Bank of America



---

Community First Fund gives people opportunities...by making capital fit them. As the people and businesses and communities they serve change, so do their strategies. I commend them for that. As an investor and a partner in their work, Opportunity Finance Network has watched Community First Fund, under Dan Betancourt's exceptional leadership and the dedication of a talented staff and board, grow into a model CDFI.

**MARK PINSKY**, President and CEO,  
Opportunity Finance Network

---

After 26 years as an entrepreneur, I have firsthand knowledge of what it takes: hard work beyond anything you ever imagined, coupled with passion and inspiration for what you're doing. After meeting with other small-business advocates, I was inspired by the stories of individuals who were just beginning their businesses. I know how important it can be to get that first loan.

**SANDRA SOLMON**, owner of Sweet Street Desserts and multiyear donor to Community First Fund's Permanent Loan Capital

**2007** 600th loan approved  
More than \$5 million in funds disbursed for FY 2007  
Administered 95 loans  
President and Chief Executive Officer Dan Betancourt and client Edward Hall testify before Congress





# Financial Summary and Outlook

**2007** SBA certified under 7(a) guaranty loan program

New Markets Tax Credit program approved (Sovereign Bank pledges \$2 million)

Finalist for the "Nonprofit Innovation Award: Nonprofit Leadership Excellence" given by the *Central Penn Business Journal*

During fiscal year 2007, Community First Fund continued to maintain its strong financial position. Assets grew by 32% and now are more than \$12 million. This growth was due to an increase in assets under management to \$10.2 million, an increase of more than \$2.9 million. This growth in lending is attributed in part to Community First Fund's expanding portfolio that includes commercial real estate loans and larger business loans. At the same time, Community First Fund has maintained its commitment to microlending for small and start-up entrepreneurs with 55 loans totaling more than \$880,000. While increasing its loan portfolio, Community First Fund maintained low loan losses at 1.6%.

Growth was also evident in net assets, which increased to more than \$4 million from last year's \$3.7 million. This equity level ensures adequate resources for Community First Fund's continued growth. Organizational revenues also increased from prior years, with contributions and grants increasing by more than \$100,000 and earned income (interest and fees) increasing by more than 60% to \$743,026. This increase in earned income ensures that Community First Fund will maintain a greater degree of self-sufficiency and ensures that the organization will maintain the delivery of loan products and other services.



Financial Position Data (as of June 30)

2007

2006

2005

**ASSETS**

Cash	2,487,456	2,109,322	2,154,701
Loans Receivable (Net)	7,446,143	5,036,053	3,410,758
Property and Equipment	862,752	930,426	972,794
Other Assets	1,317,508	1,079,114	830,515
<b>Total Assets</b>	<b>12,113,859</b>	<b>9,154,915</b>	<b>7,368,768</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Notes Payable	6,349,666	3,972,994	2,771,607
Other Liabilities and Deferred Revenue	1,281,878	863,835	579,445
<b>Total Liabilities</b>	<b>7,631,544</b>	<b>4,836,829</b>	<b>3,351,052</b>

**NET ASSETS**

Unrestricted	4,070,857	3,700,167	3,301,326
Temporarily Restricted	150,000	369,220	481,171
Permanently Restricted	261,458	248,699	235,219
<b>Total Net Assets</b>	<b>4,482,315</b>	<b>4,318,086</b>	<b>4,017,716</b>

<b>Total Liabilities and Net Assets</b>	<b>12,113,859</b>	<b>9,154,915</b>	<b>7,368,768</b>
---	-------------------	------------------	------------------

**ACTIVITIES DATA**

**REVENUE AND SUPPORT**

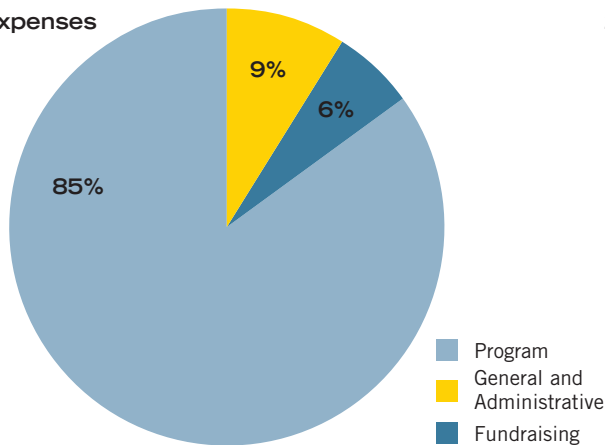
Contributions and Grants	1,684,541	1,549,403	2,093,679
Interest and Fees	743,026	458,261	300,676
Other Income	24,703	30,740	30,693
<b>Total Income</b>	<b>2,452,270</b>	<b>2,038,404</b>	<b>2,425,048</b>

**EXPENSES**

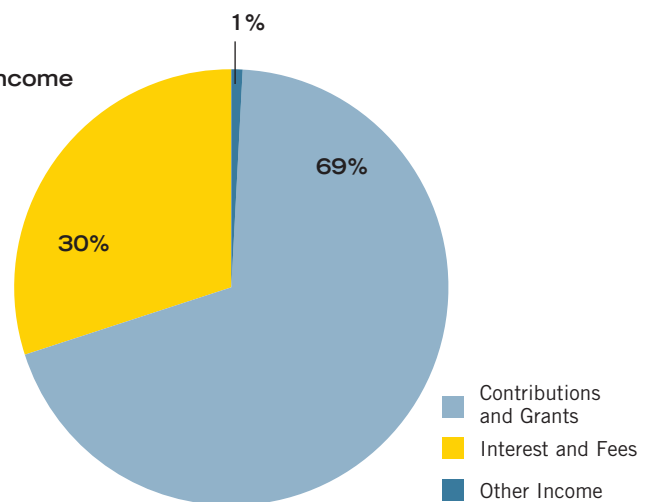
Program	1,950,669	1,466,178	1,129,378
General and Administrative	198,221	173,183	137,198
Fundraising	139,151	98,673	72,488
<b>Total Expenses</b>	<b>2,288,041</b>	<b>1,738,034</b>	<b>1,339,064</b>

<b>CHANGE IN NET ASSETS</b>	<b>164,229</b>	<b>300,370</b>	<b>1,085,984</b>
-----------------------------	----------------	----------------	------------------

2007 Expenses



2007 Income





## **BOARD OF DIRECTORS**

---

Daniel Betancourt, President and Chief Executive Officer  
Robert Torres, Esquire, Chair  
Pamela M. Woodell, Vice Chair  
Marilyn Hedge, Secretary  
Sara A. Austin, Esquire  
Margaret D. Barajas  
John Galarza  
Ben Gutierrez, Ph.D.  
Cheryl D. Holland-Jones  
Jack Howell  
Carl S. Pike, Ph.D.  
Reverend Edgardo Rivera  
Larry Segal  
Deborah A. Stuart

## **SENIOR LOAN COMMITTEE**


---

Daniel Betancourt, Chair  
Joan M. Brodhead, Vice Chair  
James C. Hufford, Secretary  
Raymond A. Davis  
Steven D. Flaherty, Esquire  
Cheryl D. Holland-Jones  
James G. Schultz

## **COMMUNITY FIRST FUND STAFF**

---

Daniel Betancourt, President and Chief Executive Officer  
Joan M. Brodhead, Vice President and Chief Operating Officer  
James D. Beam, Controller  
Miriam Soto, Director of Training  
James C. Hufford, Managing Director of Lending  
Mary Kay Eckenrode, Director of Real Estate Lending  
Ernest L. Moore, Director of Business Lending and Counseling, Lancaster Region  
Jeffrey K. Dice, Director of Business Lending and Counseling, York and Adams Region  
Benjamin Parra, Director of Business Lending and Counseling, Capital Region  
Douglas J. Weiser, Director of Business Lending and Counseling, Capital Region  
Fred S. Engle, Director of Business Lending and Counseling, Chester Region  
Jermaine D. Edwards, Business Lender and Counselor, Berks and Lebanon Region  
Michelle Ramos, Business Lender and Counselor, Lancaster Region  
Kenneth J. Olson, Business Consultant  
Nelson A. DeLeon, Business Consultant, Berks Region  
Frederic J. Knerr, Senior Associate, Loan Administration  
Raymond T. Culbreth, Associate, Loan Administration  
Amy D. Peterson, Senior Accountant  
Genny L. Stein, Associate, Accounting Department  
Stephanie N. Kessler, Associate, Marketing  
Regina M. Gendusa, Associate, Compliance  
Tracy A. Smith, Executive Administrative Assistant  
Jamie L. Frey, Administrative Assistant  
Eleonora Vicchi, Partners of the Americas Business Fellow  
Kelsey L. Cunningham, AmeriCorps VISTA Member  
Troy S. Dinkel, AmeriCorps VISTA Member  
Peter W. Johnston, AmeriCorps VISTA Member



You must be the  
change you wish to  
see in the world.

MOHANDAS (MAHATMA) GANDHI



Serving 13 counties in Central Pennsylvania: Lancaster, Dauphin, Berks, York, Chester, Adams, Cumberland, Franklin, Lebanon, Lehigh, Montgomery, Northampton, Perry

[www.commfirstfund.org](http://www.commfirstfund.org)

©2007 Community First Fund