New Hampshire
COMMUNITY
LOAN FUND

FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Contents
June 30, 2019 and 2018

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Independent Auditor's Report

To the Board of Directors of
New Hampshire Community Loan Fund, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of New Hampshire Community Loan Fund, Inc. (a New Hampshire corporation, not for profit) (the Community Loan Fund) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Community Loan Fund, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 31 through 34 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Alexander, Aronson, Finning & Co., P.C.

Westborough, Massachusetts
September 26, 2019

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statements of Financial Position
June 30, 2019 and 2018

Assets	**2019**	**2018**
Current Assets:		
Cash and cash equivalents	$ 18,170,418	$ 6,454,627
Cash and cash equivalents - pass-through	315,134	471,156
Marketable securities	12,561,035	7,520,889
Grants, contracts and other receivables	676,574	668,324
Current portion of pledges receivable	162,000	119,100
Current portion of loans receivable	2,611,836	4,815,263
Accrued interest receivable	706,913	577,727
Property held for sale	339,075	60,000
Prepaid expenses and other	144,322	119,230
Total current assets	35,687,307	20,806,316
Loans Receivable, net of current portion and allowance for loan losses of $2,403,445 and $1,984,188 at June 30, 2019 and 2018, respectively	118,767,897	109,846,326
Pledges Receivable, net of current portion	50,000	120,000
Program-Related Development Investments, net	2,942,040	2,240,980
Equity Investments	1,122,922	703,028
Property and Equipment, net	3,960,801	3,936,779
Total assets	$ 162,530,967	$ 137,653,429
Liabilities and Net Assets		
Current Liabilities:		
Current portion of loans payable	$ 13,318,801	$ 10,663,640
Accounts payable and accrued expenses	425,371	358,317
Accrued interest payable	1,303,332	1,180,583
Deferred revenue	245,125	219,214
Total current liabilities	15,292,629	12,421,754
Long-Term Liabilities:		
Loans payable, net of current portion	108,324,140	91,129,122
Subordinated loans payable - equity equivalent investments	8,600,000	8,600,000
Total liabilities	132,216,769	112,150,876
Net Assets:		
Without donor restrictions:		
Program	3,008,577	2,870,414
Financing	17,026,616	14,111,217
Total without donor restrictions	20,035,193	16,981,631
With donor restrictions:		
Program	104,050	172,379
Financing	10,147,704	8,295,290
Pass-through	27,251	53,253
Total with donor restrictions	10,279,005	8,520,922
Total net assets	30,314,198	25,502,553
Total liabilities and net assets	$ 162,530,967	$ 137,653,429

The accompanying notes are an integral part of these statements.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019
(With Summarized Comparative Totals for the Year Ended June 30, 2018)

	2019			2018
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Operating Revenues:				
Public support:				
Grants and contributions	$ 3,697,869	$ 2,401,062	$ 6,098,931	$ 2,790,707
Grants - pass-through	129,513	-	129,513	157,940
Net assets released from restrictions	616,979	(616,979)	-	-
Net assets released from restrictions - pass-through	26,000	(26,000)	-	-
Less - grants passed through to others	(155,513)	-	(155,513)	(206,056)
Net public support	4,314,848	1,758,083	6,072,931	2,742,591
Earned revenue:				
Financial revenue:				
Interest on loans	8,662,322	-	8,662,322	7,698,809
Loan related fees	256,875	-	256,875	456,886
Investment income	256,565	-	256,565	179,371
Net loan loss provision	(476,648)	-	(476,648)	(253,242)
Less - interest expense	(4,334,615)	-	(4,334,615)	(3,762,207)
Net financial revenue	4,364,499	-	4,364,499	4,319,617
Training and other fees	24,056	-	24,056	23,782
Other net losses	(51,685)	-	(51,685)	(282,867)
Total earned revenue	4,336,870	-	4,336,870	4,060,532
Total operating revenues	8,651,718	1,758,083	10,409,801	6,803,123
Operating Expenses:				
Program services	4,840,496	-	4,840,496	4,612,292
Management and administrative	630,382	-	630,382	622,218
Fundraising	322,469	-	322,469	349,423
Total operating expenses	5,793,347	-	5,793,347	5,583,933
Changes in operating net assets	2,858,371	1,758,083	4,616,454	1,219,190
Non-Operating Revenue (Expense):				
Net unrealized gain on investments	231,423	-	231,423	259,851
Share of income (loss) from program-related development investment	(36,232)	-	(36,232)	276,021
Total non-operating revenue (expense)	195,191	-	195,191	535,872
Total changes in net assets	3,053,562	1,758,083	4,811,645	1,755,062
Net Assets:				
Beginning of year	16,981,631	8,520,922	25,502,553	23,747,491
End of year	$ 20,035,193	$ 10,279,005	$ 30,314,198	$ 25,502,553

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:			
Public support:			
Grants and contributions	$ 2,214,713	$ 575,994	$ 2,790,707
Grants - pass-through	157,940	-	157,940
Net assets released from restrictions	662,096	(662,096)	-
Net assets released from restrictions - pass-through	48,116	(48,116)	-
Less - grants passed through to others	(206,056)	-	(206,056)
Net public support	2,876,809	(134,218)	2,742,591
Earned revenue:			
Financial revenue:			
Interest on loans	7,698,809	-	7,698,809
Loan related fees	456,886	-	456,886
Investment income	179,371	-	179,371
Net loan loss provision	(253,242)	-	(253,242)
Less - interest expense	(3,762,207)	-	(3,762,207)
Net financial revenue	4,319,617	-	4,319,617
Training and other fees	23,782	-	23,782
Other net losses	(282,867)	-	(282,867)
Total earned revenue	4,060,532	-	4,060,532
Total operating revenues	6,937,341	(134,218)	6,803,123
Operating Expenses:			
Program services	4,612,292	-	4,612,292
Management and administrative	622,218	-	622,218
Fundraising	349,423	-	349,423
Total operating expenses	5,583,933	-	5,583,933
Changes in operating net assets	1,353,408	(134,218)	1,219,190
Non-Operating Revenue (Expense):			
Net unrealized gain on investments	259,851	-	259,851
Share of income from program-related development investment	276,021	-	276,021
Total non-operating expenses	535,872	-	535,872
Total changes in net assets	1,889,280	(134,218)	1,755,062
Net Assets:			
Beginning of year	15,092,351	8,655,140	23,747,491
End of year	$ 16,981,631	$ 8,520,922	$ 25,502,553

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Changes in net assets	$ 4,811,645	$ 1,755,062
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	184,704	181,358
Loans payable converted to contributions	(349,991)	(19,182)
Net loan loss provision	476,648	253,242
Net gain on equity investments and marketable securities	(219,026)	(261,803)
Amortization of premiums/discounts on investments	(21,498)	(29,247)
Grants and contributions restricted for lending activities	(1,425,000)	-
Share of (income) loss from program-related development investment	36,232	(276,021)
Other net (gains) losses	39,288	284,820
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	(8,250)	260,917
Pledges receivable	27,100	389,532
Accrued interest receivable	(129,186)	(129,570)
Prepaid expenses and other	(25,092)	15,576
Accounts payable and accrued expenses	67,054	(363,240)
Accrued interest payable	122,749	203,168
Conditional advances	-	(468,354)
Deferred revenue	25,911	(71,840)
Net cash provided by operating activities	3,613,288	1,724,418
Cash Flows from Investing Activities:		
Issuance of loans receivable	(20,536,428)	(24,519,000)
Principal payments of loans receivable	13,341,636	8,921,302
Purchase of property and equipment	(208,726)	(60,687)
Property held for sale	(317,761)	16,000
Purchases of marketable securities and investments	(13,385,488)	(8,994,427)
Proceeds from sale of marketable securities	7,428,078	10,495,594
Net cash used in investing activities	(13,678,689)	(14,141,218)
Cash Flows from Financing Activities:		
Proceeds from loans payable	24,281,280	14,325,907
Grants and contributions restricted for lending activities	1,425,000	-
Principal payments on loans payable	(4,081,110)	(2,674,193)
Net cash provided by financing activities	21,625,170	11,651,714
Net Change in Cash and Cash Equivalents	11,559,769	(765,086)
Cash and Cash Equivalents:		
Beginning of year	6,925,783	7,690,869
End of year	$ 18,485,552	$ 6,925,783
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 4,211,866	$ 3,559,039
Unrealized gain on investments	$ 231,423	$ 259,851
Other real estate owned acquired by foreclosure	$ 60,000	$ 59,000

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019								2018
	Program Services					Support Services			
	Community Services	Affordable Housing	Business Finance	Capitalization and Philanthropy	Total Program Services	Management and Adminis-trative	Fundraising	Total	Total
Personnel costs:									
Salaries	$ 144,196	$ 1,788,971	$ 733,109	$ 410,704	$ 3,076,980	$ 289,422	$ 212,496	$ 3,578,898	$ 3,464,184
Benefits	22,447	285,750	115,050	64,089	487,336	13,813	33,752	534,901	502,662
Payroll taxes	10,369	129,621	53,564	29,511	223,065	21,957	15,548	260,570	258,515
Total personnel costs	177,012	2,204,342	901,723	504,304	3,787,381	325,192	261,796	4,374,369	4,225,361
Professional services	10,829	151,396	90,190	28,904	281,319	81,252	15,637	378,208	365,605
Occupancy	4,267	72,547	32,007	21,339	130,160	78,951	4,267	213,378	214,941
Administrative services	1,172	129,044	6,136	5,285	141,637	31,979	11,283	184,899	154,339
Depreciation	3,417	60,216	37,366	17,083	118,082	63,205	3,417	184,704	181,358
Office expense	3,280	64,719	26,561	24,382	118,942	26,652	6,766	152,360	135,373
Training and travel	2,208	68,097	21,055	13,668	105,028	7,667	990	113,685	94,118
Public education	10,417	11,104	29,466	9,663	60,650	2,920	483	64,053	56,074
Communications	975	26,994	4,932	6,169	39,070	2,470	16,360	57,900	54,552
Equipment expense	1,096	21,581	5,426	6,318	34,421	10,094	1,470	45,985	63,530
Property expenses	-	23,806	-	-	23,806	-	-	23,806	38,682
Total expenses	$ 214,673	$ 2,833,846	$ 1,154,862	$ 637,115	$ 4,840,496	$ 630,382	$ 322,469	$ 5,793,347	$ 5,583,933

The accompanying notes are an integral part of these statements.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program Services					Support Services		
	Community Services	Affordable Housing	Business Finance	Capitalization and Philanthropy	Total Program Services	Management and Adminis-trative	Fundraising	Total
Personnel costs:								
Salaries	$ 134,834	$ 1,721,419	$ 636,212	$ 449,856	$ 2,942,321	$ 285,667	$ 236,196	$ 3,464,184
Benefits	20,121	245,779	92,105	65,655	423,660	44,396	34,606	502,662
Payroll taxes	10,366	127,742	46,871	33,632	218,611	22,254	17,650	258,515
Total personnel costs	165,321	2,094,940	775,188	549,143	3,584,592	352,317	288,452	4,225,361
Professional services	7,996	147,038	89,176	27,433	271,643	78,835	15,127	365,605
Occupancy	4,405	79,005	31,748	23,209	138,367	71,898	4,676	214,941
Administrative services	883	125,087	4,052	6,492	136,514	8,516	9,309	154,339
Depreciation	3,531	65,662	31,362	19,411	119,966	57,863	3,529	181,358
Office expense	2,958	55,629	24,228	21,676	104,491	24,336	6,546	135,373
Training and travel	1,602	48,708	20,373	14,165	84,848	8,772	498	94,118
Public education	23,007	6,416	19,573	5,553	54,549	1,344	181	56,074
Communications	707	28,056	3,753	3,604	36,120	2,715	15,717	54,552
Equipment expense	1,603	25,751	6,961	8,205	42,520	15,622	5,388	63,530
Property expenses	-	38,682	-	-	38,682	-	-	38,682
Total expenses	$ 212,013	$ 2,714,974	$ 1,006,414	$ 678,891	$ 4,612,292	$ 622,218	$ 349,423	$ 5,583,933

The accompanying notes are an integral part of these statements.

1. OPERATIONS AND NONPROFIT STATUS

New Hampshire Community Loan Fund (the Community Loan Fund) was organized in 1983 under the laws of New Hampshire as a charitable corporation qualifying for Federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code (IRC). The Community Loan Fund is also exempt from state income taxes. Donors may deduct contributions made to the Community Loan Fund within the IRC requirements.

The mission of the Community Loan Fund is to serve as a catalyst, leveraging financial, human and civic resources to enable traditionally underserved people to participate more fully in New Hampshire's economy. This is done by:

- Providing loans, capital and technical assistance;
- Complementing and extending the reach of conventional lenders and public institutions; and
- Bringing people and institutions together to solve problems.

The nine programs in service of the Community Loan Fund's mission provide economic opportunity technical assistance and loans in the areas of Affordable Housing, Community Services, and Business Finance. Program areas also include Capitalization and Philanthropy and Public Policy.

Affordable Housing

ROC-NH - Since 1983, building long-term value for owners of manufactured homes in New Hampshire's resident-owned communities by helping them purchase and manage their communities.

Welcome Home Loans - Since 2002, providing mortgage loans for manufactured homes in resident-owned communities. Starting in 2012, also providing mortgage loans to owners and buyers of manufactured homes on their own land.

Multi-Family Housing - Since 1989, providing loans and technical assistance to nonprofit housing organizations to acquire, develop, and manage affordable rental housing.

Community Services

Since 1984, providing loans to nonprofit organizations to buy, renovate, or build facilities that support essential community services.

Child Care Initiative - Since 1995, providing loans, training and assistance to childcare centers to preserve and create facilities.

Business Finance

Business Builder - Since 1996, providing loans and business education to support the growth and resilience of small businesses and their ability to provide quality jobs.

Vested for Growth - Since 2002, providing investments and business education to help owners grow their businesses by engaging their people and adding value for their customers.

1. OPERATIONS AND NONPROFIT STATUS (Continued)

Capitalization and Philanthropy and Public Policy

Capitalization and Philanthropy - Since 1984, enabling people and institutions to invest and donate capital for basic human needs.

Public Policy - Since 2009, working to shape public policy in credit- and program-related matters that affect people and families with low incomes, or that affect the Community Loan Fund's ability to serve them.

Community Development Financial Institution

The Community Loan Fund has been granted status as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury (the Treasury), qualifying it for certain awards and support from the Treasury. During fiscal years 2019 and 2018, the Community Loan Fund recognized awards of $2,200,000 and $686,500, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The Community Loan Fund prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Community Loan Fund follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Community Loan Fund would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Community Loan Fund uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Community Loan Fund. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Cash and Cash Equivalents and Concentration of Credit Risk

The Community Loan Fund considers all depository accounts and other highly liquid investments originated with a maturity of three months or less and that are available for current operations, to be cash for purposes of the consolidating statements of cash flows.

Cash deposits are guaranteed up to certain amounts by the Federal Deposit Insurance Corporation (FDIC) for bank accounts, and by the Securities Investor Protection Corporation for brokerage accounts. At times, cash balances may exceed insured amounts. Other deposits exceeding insurance limits at June 30, 2019 and 2018, are separately collateralized by securities held by the financial institutions.

Marketable Securities

Marketable securities are carried at fair value (see page 9 and Note 3) and consist of U. S. government agency securities, U.S. Treasury securities, and equity mutual funds held for charitable gift annuities (see Note 13). Equity mutual funds have readily determinable fair values and are valued using Level 1 inputs. All investments in debt securities are valued using Level 2 inputs. Realized gains (losses) arising from sales of marketable securities are reported as other net gains (losses), a component of changes in operating net assets in the accompanying statements of activities and changes in net assets. Unrealized gains and losses are reported as a separate component of non-operating revenue (expenses). Changes in fair value are unrealized, but can result in significant volatility in investment income reported each year. It is the Community Loan Fund's general intent to hold securities with fixed maturities until maturity. Marketable securities are classified as current assets because there are no restrictions on their use and they are readily marketable.

Grants, Contracts, Pledges, Other Receivables and Allowance for Doubtful Accounts

The Community Loan Fund receives grants and pledges from various donors. Grants, contracts and other receivables are stated at unpaid balances. The Community Loan Fund establishes allowances for uncollectible receivables. The allowances are based on management's judgment on the collectability of outstanding receivables. There were no allowances recorded as of June 30, 2019 and 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans Receivable and Allowance for Loan Losses

Loans receivable are stated net of third-party participations and an allowance for loan losses (see Notes 5 and 6). Interest on loans is calculated by using the simple interest method on monthly balances of the principal amount outstanding.

Provisions are made for estimated loan losses based on management's evaluation of each loan. Loss recoveries are recorded in the year the recovery is known. The allowance for loan losses (see Note 6) is established through the net loan loss provision and is charged to operations. The allowance is an amount that management believes will be adequate to absorb expected losses on existing loans that may become uncollectible. Management evaluates loan collectability through consideration of factors such as previous loss experience, performance of individual loans in accordance with contract terms, financial strength and cash flows of the borrower, realizable values of collateral, and current economic conditions that may affect the borrower's ability to repay.

U.S. GAAP requires not-for-profit organizations to record interest expense and contribution revenue in connection with loans payable that are interest free or that have below-market interest rates. Likewise, funds loaned to borrowers at below-market interest rates should also result in imputed revenue and contribution expense. Interest rates on loans payable are disclosed in Notes 11 and 12. Interest rates on loans receivable are disclosed in Note 5. The Community Loan Fund believes that the benefits derived from below-market rate loans received are passed through to the borrowers via below-market rate loans made, and that there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. Consequently, no adjustments have been made to the accompanying financial statements to reflect contribution income or expense associated with below market interest rates.

Program-Related Development Investment

The Community Loan Fund maintains an equity investment in an uncombined affiliate where The Community Loan Fund exercises significant influence over the affiliate's operations (see Note 7). The Community Loan Fund accounts for this investment using the equity method. Whether or not the Community Loan Fund exercises significant influence with respect to an affiliate depends on an evaluation of several factors including, among others, representation on the affiliate's Board of Directors, significance of ownership in the voting securities of the affiliate, and participation in management activities significant to the investee. Under the equity method, the investment is initially recorded at cost and then increased or decreased by the share of income or loss of the affiliate. Distributions of cash reduce the carrying value of the investment. The Community Loan Fund also regularly evaluates the carrying value of the investment for potential impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Investments

Equity investments are generally interests in closely held businesses and are acquired in connection with certain Business Finance loan agreements (see Note 5). Equity investments are carried at fair value (see Note 8 and page 9) as estimated in good faith under a Board-approved Valuation Policy. Management uses all information available, including third-party valuation reports, to determine an appropriate valuation for each investment. The inputs used, including those used in third-party valuations, include valuation techniques based on multiples of earnings or revenues and hypothetical sale or liquidation scenarios. As in many sale or liquidation scenarios, there are key inputs, such as multiples of revenue, which are often important in early stage companies that have not established profitability that if the multiple was to increase or decrease, could result in a material change in the value realized upon sale. Warrants to obtain common stock are considered to be derivative instruments. As such, warrants are carried at fair value with changes in fair value recorded in the statements of activities and changes in net assets. Warrants, all of which are detachable, have been obtained in conjunction with issuing loans or investments to certain portfolio companies.

Property Held for Sale

Property held for sale consist of real estate that is acquired through loan foreclosures as well as homes that are being built for homeownership under the Veterans First Project (VFP). As of June 30, 2019 and 2018, there was one property that was acquired through loan foreclosure. As of June 30, 2019 there were ten VFP homes that had either been completed or were in process and expected to be completed in early fiscal year 2020.

Property and Equipment and Depreciation

Property and equipment (see Note 9) are recorded at cost. The Community Loan Fund capitalizes purchases of $5,000 or more. Maintenance, repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Depreciation of property and equipment is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Office furniture and equipment	3 - 5 years

The Community Loan Fund accounts for the carrying value of its long-lived assets in accordance with ASC Topic, *Property, Plant and Equipment*. As of June 30, 2019 and 2018, the Community Loan Fund has not recognized any reduction in the carrying value of its property and equipment when considering these requirements.

Deferred Revenue

The Community Loan Fund records certain contracts and grant funds not currently deployed as deferred revenue in the accompanying statements of financial position. Deferred revenue is made up of grant funds for the following as of June 30:

	2019	2018
IDA Program Matched Savings Grants for Individuals	$ 225,125	$ 219,214
Federal Home Loan Bank AHP Subsidy for Veterans First Project	20,000	-
	$ 245,125	$ 219,214

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications

Net Assets Without Donor Restrictions - Include those net resources that bear no external restrictions and are generally available for use by the Community Loan Fund. These include certain funds set aside by the Board of Directors for loan loss reserves.

Net Assets With Donor Restrictions - Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or programs run by The Community Loan Fund. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained for particular use in perpetuity. Net assets with donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Electively, the Community Loan Fund reports each class of net assets within the following sub-categories:

Program Activities - Include net assets that are restricted to cover program delivery expenses and general operating functions of the Community Loan Fund, which could include salary, program costs, overhead, and other expenses. These net assets may be restricted for the program delivery expenses of a particular program or may be general operating support which carries a time restriction.

Financing Activities - Net assets that are restricted or internally designated for mission-related lending and investing. Where restricted by donors, these include net assets which will be re-deployed as lending capital (and remain as with donor restrictions) unless the grant is released due to a restriction being met. Because donors generally allow contributions to this category of net assets to be used to offset lending losses, the Community Loan Fund releases from restriction an amount equivalent to annual net loan loss provision (see Note 6). To the extent the Community Loan Fund has net recoveries above and beyond any loan loss provision, the amount is restored to this category. The Community Loan Fund released $476,648 and $253,242 related to net loan loss provision during the years ended June 30, 2019 and 2018, respectively. All but $275,000 of these net assets may be used as reserves for uncollectible financing activities (see page 14).

Pass-Through Activities - Net assets that are restricted amounts to be passed through (re-granted) to other organizations or individuals for mission-related purposes. These net assets are not available to be used for financing activities or program activities.

The Community Loan Fund also classifies these subcategories of net assets with donor restrictions into three groups:

- *Purpose restricted* net assets include amounts restricted for program activities or mission-related financing activities of the Community Loan Fund.
- *Time restricted for future periods* represent restricted grant funds with donor-imposed time restrictions.
- *Perpetual in nature* net assets include grant funds that are to be held in perpetuity.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications (Continued)

Net assets with donor restrictions are restricted as follows as of June 30:

	2019			
Program Initiative	**Purpose Restricted**	**Time Restricted for Future Periods**	**Perpetual in Nature**	**Total**
Program Activities:				
ROC-NH Program Delivery	$ 55,048	$ -	$ -	$ 55,048
Single Family Housing Program Delivery	12,500	10,000	-	22,500
IDA Program Delivery	26,502	-	-	26,502
Total Program Activities	94,050	10,000	-	104,050
Financing Activities:				
General	6,770,614	202,000	275,000	7,247,614
Affordable Housing – Capital Magnet Fund	2,852,055	-	-	2,852,055
Affordable Housing – Veterans First	48,035	-	-	48,035
Total Financing Activities	9,670,704	202,000	275,000	10,147,704
Pass-Through:				
IDA Match Funds for Individuals	27,251	-	-	27,251
Total net assets with donor restrictions	$ 9,792,005	$ 212,000	$ 275,000	$ 10,279,005

	2018			
Program Initiative	**Purpose Restricted**	**Time Restricted for Future Periods**	**Perpetual in Nature**	**Total**
Program Activities:				
ROC-NH Program Delivery	$ 57,533	$ -	$ -	$ 57,533
Single Family Housing Program Delivery	20,000	20,000	-	40,000
IDA Program Delivery	32,846	-	-	32,846
Business Finance - Farm and Food Initiative	-	40,000	-	40,000
General Program Delivery and Operations	-	2,000	-	2,000
Total Program Activities	110,379	62,000	-	172,379
Financing Activities:				
General	6,416,135	177,100	275,000	6,868,235
Affordable Housing – Capital Magnet Fund	1,427,055	-	-	1,427,055
Total Financing Activities	7,843,190	177,100	275,000	8,295,290
Pass-Through:				
IDA Match Funds for Individuals	53,253	-	-	53,253
Total net assets with donor restrictions	$ 8,006,822	$ 239,100	$ 275,000	$ 8,520,922

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2019	2018
Satisfaction of purpose restrictions:		
IDA Program	$ 32,346	$ 34,062
Single Family Housing Program	7,500	5,000
ROC-NH Program	2,485	7,446
Child Care Program	-	33,941
Farm and Food Initiative Program	-	744
Total releases from purpose restrictions	42,331	81,193
Loan loss provision	476,648	253,242
Expiration of time restrictions	124,000	375,777
Total releases	$ 642,979	$ 710,212

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenue consists of investment gains and losses.

Revenue Recognition

Unconditional promises to give are recognized as revenues in the period received, and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Loans payable and EQ2s (see Notes 11 and 12) on occasion are converted to contributions by the investors. During fiscal years 2019 and 2018, there were eight and nine, respectively, contributed loans payable and related interest totaling $349,991 and $19,182, respectively, which are included in grants and contributions in the accompanying statements of activities and changes in net assets.

Revenues from loans, investments and other financial instruments are recognized as revenues without donor restrictions as earned on an accrual basis except where restricted by donors.

Training and other fees are recognized on the accrual basis as services or goods are delivered or according to relevant benchmarks or criteria of the underlying agreements. All other revenue is recognized as earned.

In-Kind Contributions

The Community Loan Fund receives and recognizes contributed use of meeting space, services and gifts in-kind from various sources. The in-kind contributions are included under public support in the accompanying statements of activities and changes in net assets. The corresponding program expense is included in operating expenses. The Community Loan Fund did not receive in-kind professional services for the year ended June 30, 2019, and received services with a fair value of $1,350 for the year ended June 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function, including supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that cannot be directly attributed to a specific program area are charged to individual program areas based on the most appropriate allocation base. The expenses that are allocated include occupancy, which is allocated on a square footage basis; personnel costs, which are allocated based on estimated employee time dedicated to each program (for non-administrative) and wages as a percentage of total wages (for administrative); and direct administrative expenses.

Income Taxes

The Community Loan Fund accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Community Loan Fund has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the accompanying financial statements at June 30, 2019 and 2018. The Community Loan Fund's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through September 26, 2019, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. MARKETABLE SECURITIES

Marketable securities carried at fair value on a recurring basis consist of the following at June 30:

	2019			
Marketable Securities	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Government agency and U.S Treasury securities	$ -	$ 12,509,096	$ -	$ 12,509,096
Equity mutual funds	51,939	-	-	51,939
	$ 51,939	$ 12,509,096	$ -	$ 12,561,035

	2018			
Marketable Securities	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Government agency and U.S Treasury securities	$ -	$ 7,470,636	$ -	$ 7,470,636
Equity mutual funds	50,253	-	-	50,253
	$ 50,253	$ 7,470,636	$ -	$ 7,520,889

The Community Loan Fund's U.S. Government agency and U.S. Treasury securities are valued using Level 2 inputs, which are determined using relevant information generated by transactions that have occurred in the marketplace that involve similar assets. The U.S. Government agency and U.S. Treasury securities are used as collateral for a line of credit (see Note 10).

3. MARKETABLE SECURITIES (Continued)

The fair value of investments in equity mutual funds are based upon quoted prices in active markets for identical assets which are Level 1 inputs.

Marketable securities are not insured and are subject to market volatility.

The accompanying financial statements include unrealized gains (losses) on debt security investments of $56,836 and $(5,552) for the years ended June 30, 2019 and 2018, respectively.

4. PLEDGES RECEIVABLE

Unconditional pledges from donors are included in the accompanying financial statements as pledges receivable and revenue in the net asset with donor restrictions category. Unconditional pledges are expected to be realized in the following periods at June 30:

	2019	2018
Amounts due in:		
Within one year	$ 162,000	$ 119,100
Two to five years	50,000	120,000
	$ 212,000	$ 239,100

A discount of pledges receivable has not been recorded as it would not have been material to the financial statements.

5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES

Loans Receivable

At June 30, 2019 and 2018, there were 999 and 922, respectively, loans receivable from the Community Loan Fund's borrowers. As of June 30, 2019, the balances due on these loans varied in amounts from $316 to $6,096,332, and in terms from 5 months to 37 years. The Community Loan Fund lends in New Hampshire, and loan products vary by type and presence of collateral, risk level, loan size, degree of mission match, and presence of designated subsidized funding sources. As a result, interest rates on loans receivable at June 30, 2019 and 2018, ranged from 0% to 12% (one business loan). The overall weighted average interest rate on the portfolio of loans receivable was 6.99% and 7.08% as of June 30, 2019 and 2018, respectively. Loans are primarily secured by first or second mortgage liens on real estate for affordable housing and community services loans, and business assets for business finance loans. These notes are issued in connection with the programs described in Note 1.

5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES (Continued)

Loans Receivable (Continued)

Loans receivable in each lending area are as follows as of June 30:

	2019			2018		
Affordable Housing:						
ROC-NH	119	$ 74,458,551	60.2%	101	$ 72,898,030	62.4%
Welcome Home Loans	695	33,667,084	27.2	690	31,717,752	27.2
Multi-Family Housing	12	3,222,406	2.6	6	1,471,028	1.3
Other Single Family Housing	118	533,943	0.4	77	412,693	0.4
Sub-total	944	111,881,984	90.4	874	106,499,503	91.3
Community Services:						
Community Services	5	3,463,401	2.8	3	2,359,676	2.0
Child Care Initiative	7	1,368,429	1.1	7	1,224,905	1.1
Sub-total	12	4,831,830	3.9	10	3,584,581	3.1
Business Finance:						
Vested for Growth	7	1,750,813	1.4	3	1,031,125	0.9
Business Builder	34	5,316,830	4.3	33	5,527,824	4.7
MicroCredit-NH	2	1,721	0.0	2	2,744	0.0
Sub-total	43	7,069,364	5.7	38	6,561,693	5.6
Total	999	$ 123,783,178	100.0%	922	$ 116,645,777	100.0%

Loans receivable are presented net of third-party loan participations of $8,534,254 and $6,898,461 as of June 30, 2019 and 2018, respectively. All loan participations qualify as loan sales in accordance with ASC Topic, *Transfers and Servicing.*

The ability of borrowers to repay the loans could be adversely affected by extensive job losses, dramatic increases in rental vacancies within the borrowers' geographic areas, or other adverse economic conditions.

The Community Loan Fund's financing policy requires that no single loan exceed 7% of total financing capital. As of June 30, 2019 and 2018, there were no loans that exceeded this threshold.

Principal payments of the loans scheduled for receipt are as follows:

	2019	2018
Amounts due in:		
Within one year	$ 2,611,836	$ 4,815,263
One to five years	20,126,531	16,782,674
More than five years	101,044,811	95,047,840
	123,783,178	116,645,777
Less - current portion	(2,611,836)	(4,815,263)
Less - allowance for loan losses (see Note 6)	(2,403,445)	(1,984,188)
Long-term portion	$ 118,767,897	$ 109,846,326

Commitments to Lend

In addition to funded loans receivable, the Community Loan Fund had loan commitments to borrowers totaling $28,278,114 and $9,209,646 at June 30, 2019 and 2018, respectively. Loan commitments represent arrangements to lend funds at specified terms and interest rates and contain fixed expiration dates or other termination clauses.

6. ALLOWANCE FOR LOAN LOSSES

The Community Loan Fund follows the *Disclosure About the Credit Quality of Financing Receivables and the Allowance for Credit Losses* standard under U.S. GAAP. This standard requires disclosure on the accounting policies and methodology used to estimate the allowance for loan losses. The total allowance for loan losses (ALL) at June 30, 2019 and 2018, was $2,403,445 and $1,984,188, respectively, representing 1.9% and 1.7%, respectively, of loans receivable at the end of each year.

The ALL is estimated based on a system adopted by the Board of Directors, and the amount is determined by an individually assigned risk rating for each loan. The balance in the ALL is determined based on management's judgment and evaluation of the loan portfolio in relation to past loss experience, the size and composition of the portfolio, current economic events and conditions, and other pertinent factors, including management's assumptions as to future delinquencies, recoveries and losses. All of these factors are susceptible to significant change. To the extent actual outcomes differ from management's estimates, additional provisions for loan losses may be required that would adversely impact earnings in future periods.

The balance in the ALL, which has been allocated to the long-term portion of the loan portfolio in the accompanying financial statements, consists of the following at June 30:

Loan Category	ALL June 30, 2018	Net Charge-offs of Loans in ALL at June 30, 2018	Net Provision (Recovery)	ALL June 30, 2019
Affordable Housing:				
ROC-NH	$ 659,823	$ -	$ 192,230	$ 852,053
Welcome Home Loans	525,671	(27,848)	36,392	534,215
Other Single Family Housing	10,985	-	4,128	15,113
Multi-Family Housing	11,767	-	22,067	33,834
Sub-total, Affordable Housing Loans	1,208,246	(27,848)	254,817	1,435,215
Community Services:				
Community Services	20,056	-	18,040	38,096
Child Care Initiative	14,359	-	37,746	52,105
Sub-total, Community Services Loans	34,415	-	55,786	90,201
Business Finance:				
Vested for Growth	116,873	-	241,418	358,291
Business Builder	624,379	-	(104,814)	519,565
MicroCredit-NH	275	-	(102)	173
Sub-total, Business Finance Loans	741,527	-	136,502	878,029
Grand total	$ 1,984,188	$ (27,848)	$ 447,105	$ 2,403,445

6. ALLOWANCE FOR LOAN LOSSES (Continued)

Loan Category	ALL June 30, 2017	Net Charge-offs of Loans in ALL at June 30, 2017	Net Provision (Recovery)	ALL June 30, 2018
Affordable Housing:				
ROC-NH	$ 635,398	$ -	$ 24,425	$ 659,823
Welcome Home Loans	468,156	(24,975)	82,490	525,671
Other Single Family Housing	6,512	-	4,473	10,985
Multi-Family Housing	8,246	-	3,521	11,767
Sub-total, Affordable Housing Loans	1,118,312	(24,975)	114,909	1,208,246
Community Services:				
Community Services	25,659	-	(5,603)	20,056
Child Care Initiative	14,039	-	320	14,359
Sub-total, Community Services Loans	39,698	-	(5,283)	34,415
Business Finance:				
Vested for Growth	100,936	-	15,937	116,873
Business Builder	517,889	-	106,490	624,379
MicroCredit-NH	1,618	-	(1,343)	275
Sub-total, Business Finance Loans	620,443	-	121,084	741,527
Grand total	$ 1,778,453	$ (24,975)	$ 230,710	$ 1,984,188

Net loan loss provision (recovery), as reported in the accompanying statements of activities and changes in net assets are as follows for the years ended June 30:

	2019	2018
Allowance for loan losses:		
Provisions	$ 533,981	$ 237,656
Direct charge-offs not previously reserved	101,144	121,676
Actual recoveries from loans previously charged-off	(71,601)	(99,144)
Valuation recovery from loans previously reserved	(86,876)	(6,946)
Net loan loss provision	$ 476,648	$ 253,242

6. ALLOWANCE FOR LOAN LOSSES (Continued)

Direct loan charge-offs, net of recoveries, are as follows for the years ended June 30:

	2019	2018
Direct-charge-offs	$ 128,992	$ 146,651
Recoveries	(71,601)	(99,144)
Net direct loan charge-offs	$ 57,391	$ 47,507

Impaired Loans

The Community Loan Fund identifies a loan as impaired when it is probable that interest and/or principal will not be collected according to the contractual terms of the loan agreement. In accordance with guidance provided by the criteria under ASC Topic, *Impairment (Recoverability)*, management employs one of three methods to determine and measure impairment: the Present Value of Future Cash Flow Method; the Fair Value of Collateral Method; and the Observable Market Price of a Loan Method. To perform an impairment analysis, the Community Loan Fund reviews a loan's internally assigned risk rating, its outstanding balance, value of the collateral, guarantors, and a current report of the action being implemented. Based on the nature of the specific loan, one of the impairment methods is chosen or any impairment is determined, based on criteria established for impaired loans.

Impaired loans as of June 30, 2019 and 2018, are set forth in the tables below.

	2019		
Loan Category	Number of Impaired Loans	Amount of Impaired Loans	Allowance for Loan Losses
Affordable Housing:			
Welcome Home Loans	28	$ 1,531,200	$ 229,680
Other Single Family Housing	1	1,803	270
Sub-total	29	1,533,003	229,950
Business Finance:			
Business Builder	1	293,537	61,342
Vested for Growth	2	440,516	220,258
Sub-total	3	734,053	281,600
Community Services:			
Child Care	1	250,000	37,500
Total impaired loans	33	$ 2,517,056	$ 549,050

6. ALLOWANCE FOR LOAN LOSSES (Continued)

Impaired Loans (Continued)

	2018		
Loan Category	**Number of Impaired Loans**	**Amount of Impaired Loans**	**Allowance for Loan Losses**
Affordable Housing:			
Welcome Home Loans	29	$ 1,602,620	$ 240,393
Other Single Family Housing	1	1,803	270
Sub-total	30	1,604,423	240,663
Business Finance:			
Business Builder	1	281,990	140,995
Total impaired loans	31	$ 1,886,413	$ 381,658

Troubled Debt Restructuring

A troubled debt restructuring (TDR) occurs when a creditor, for economic or legal reasons related to a borrower's financial condition, grants a concession to the borrower that it would not otherwise consider, such as below market interest rates, principal reductions extending the maturity of a loan, or a combination of these. As is common in the CDFI industry, the Community Loan Fund makes loan amendments in the normal course of business to extend the loan term when the take-out financing is delayed or under other similar circumstances. If the Community Loan Fund determines that the amendment is not due to the financial difficulties of the borrower and continues to expect full repayment of the loan, the amendment is not classified as a TDR.

At the time a loan is modified in a TDR, the Community Loan Fund considers several factors in determining whether the loan should accrue interest, including:

- Cash flow necessary to pay the interest.
- Whether the customer is current on their interest payments.
- Whether the Community Loan Fund expects the borrower to perform under the revised terms of the restructuring.

Loans that were impaired and classified as TDRs are set forth in the tables below as of June 30:

2019 Troubled Debt Restructuring	**Number of Loans Restructured**	**Amount of Restructured Loans**	**Allowance for Loan Losses**
Extension resulting from financial difficulty	6	$ 456,478	$ 85,783

2018 Troubled Debt Restructuring	**Number of Loans Restructured**	**Amount of Restructured Loans**	**Allowance for Loan Losses**
Extension resulting from financial difficulty	6	$ 449,038	$ 166,052

7. PROGRAM-RELATED DEVELOPMENT INVESTMENT

The Community Loan Fund holds a program-related development investment in ROC USA, LLC (ROC USA). ROC USA was formed in December 2007 as a nonprofit limited liability corporation. Its mission is to make quality ownership of manufactured home communities viable nationwide. ROC USA provides technical assistance and loans to people living in manufactured home communities, in order to assist them with the purchase of their communities, so that they will be resident owned.

The Community Loan Fund is one of three nonprofit organizations to originally invest in ROC USA. In the original Operating Agreement of ROC USA dated September 2008, all three nonprofit organizations committed to an original investment of $500,000, and each had equal capital interests and voting interests in ROC USA of 33 1/3%.

In January 2013, the three original members unanimously approved an amendment to the Operating Agreement to add a new voting member, ROC Association. The ROC Association represents all resident-owned manufactured home communities assisted by ROC USA across the nation. As a result of the amendment, the membership interests were specifically changed as follows:

- ROC Association was not required to make a contribution to ROC USA. It has no capital interest but its voting interest is equal to 28.57%.
- The capital interests of the Community Loan Fund and the other two original members remain unchanged at 33 1/3% of ROC USA, but the voting interests changed to 23.81% each.

In 2019, the Community Loan Fund and the other two original nonprofit members each invested an additional $750,000 in ROC USA as part of a new round of equity funding, bringing the total member capital contributions up from $500,000 each to $1,250,000 each.

The balance of the Community Loan Fund's investment in ROC USA was $2,942,040 and $2,240,980 as of June 30, 2019 and 2018, respectively. The balance is based on the application of the equity method (see Note 2) modified for a hypothetical liquidation analysis. For the years ended June 30, 2019 and 2018, the Community Loan Fund's share of income (loss) was $(36,232) and $276,021, respectively, including the effects of the hypothetical liquidation analysis.

The balance of the Community Loan Fund's investment in ROC USA is calculated as follows as of June 30:

	2019	**2018**
Total net assets without restrictions of ROC USA	$ 9,597,997	$ 8,242,344
Member capital percentage	33.33%	33.33%
Equity valuation	3,199,012	2,747,173
Less - hypothetical liquidation allowance	(256,972)	(506,193)
Net carrying value	$ 2,942,040	$ 2,240,980

In accordance with the disclosure standards pertaining to ASC Topic, *Investment – Equity Method and Joint Ventures*, the following summarized financial information related to ROC USA is provided:

Fiscal Year Ending	**Total Assets**	**Total Liabilities**	**Total Net Assets**	**Total Revenue**	**Total Expenses**
12/31/2018	$ 87,459,246	$ 75,312,462	$ 12,146,784	$ 2,492,830	$ 2,717,310
12/31/2017	$ 78,672,155	$ 66,300,891	$ 12,371,264	$ 2,686,216	$ 2,716,800

7. PROGRAM-RELATED DEVELOPMENT INVESTMENT (Continued)

During March 2019, the Community Loan Fund provided ROC USA a $3,000,000 loan with an interest rate of 5%. The entire balance was repaid in April 2019.

8. EQUITY INVESTMENTS

Equity investments (see Note 2), including warrants consist of investments made by the Community Loan Fund in privately held corporations. Through its Vested for Growth program, the Community Loan Fund provides capital investments to businesses that are committed to long-term growth strategies based on employee involvement and quality. Equity financing involves the Community Loan Fund taking a percentage of ownership in the investee. This may take the form of common or preferred stock, convertible notes, the ability to purchase stock with options or warrants, or in the case of limited liability companies, ownership units. Vested for Growth staff closely monitor each investee's financial condition, often sitting on the investee's Board of Directors as an observer. Warrants obtained through the loan portfolio have no identified cost and are valued at fair value through appreciation, if applicable.

The Community Loan Fund's equity investments are reported at fair value using Level 3 inputs and are invested in the following business sectors at June 30:

	2019		2018	
Business Sector	**Number of Investees**	**Investment Amount**	**Number of Investees**	**Investment Amount**
Information technology	2	$ 957,556	1	$ 703,028
Farm and Food	1	150,000	-	-
Manufacturing	1	15,366	-	-
Total as of June 30	4	$ 1,122,922	1	$ 703,028

A reconciliation of Level 3 investments for the years ended June 30, 2019 and 2018, is as follows:

	Equity Investments
Balance as of June 30, 2017	$ 661,325
Purchases	43,177
Realized losses	(266,876)
Net unrealized gain	265,402
Balance as of June 30, 2018	703,028
Purchases	175,000
Net unrealized gain	244,894
Balance as of June 30, 2019	$ 1,122,922

9. PROPERTY AND EQUIPMENT

Property and equipment, which consist primarily of the Community Loan Fund's headquarters (see Note 2), consist of the following at June 30:

	2019	2018
Land	$ 321,461	$ 321,461
Buildings and improvements	4,853,713	4,782,629
Office furniture and equipment	678,249	660,558
	5,853,423	5,764,648
Less - accumulated depreciation	1,892,622	1,827,869
	$ 3,960,801	$ 3,936,779

10. AVAILABLE CREDIT

The Community Loan Fund procures secured and unsecured lines of credit to meet liquidity needs in the course of fulfilling its mission.

Secured Lines of Credit

The Community Loan Fund has available two secured hard-maturity lines of credit:

The first is a $7,500,000 hard-maturity line of credit from a financial institution, which is secured by the Community Loan Fund's investment portfolio of U.S. government securities (see Note 3). The line of credit was originally established in June 2002 and has a maturity date of July 31, 2020. The amount available shall not exceed 85% of the market value of the government bonds collateralizing the loan. On June 30, 2019 and 2018, the market value of the bonds was $12,455,688 and $7,437,039, respectively, which is comprised of the gross fair value of $12,509,096 and $7,470,636, respectively, less unamortized discounts on bond purchases of $53,408 and $33,597, respectively. Therefore, $7,500,000 and $6,321,483 was available to be drawn as of June 30, 2019 and 2018, respectively. Advances bear interest at the *Wall Street Journal*'s prime rate (5.5% and 5.00% at June 30, 2019 and 2018, respectively). As of June 30, 2019 and 2018, there was no outstanding balance.

The second is a $1,392,000 hard-maturity line of credit from a financial institution, which is secured by first mortgages on three office buildings owned and operated by the Community Loan Fund (see Note 9). The line of credit was originally established in February 2000 and has a maturity date of July 31, 2020. Advances bear interest at the *Wall Street Journal*'s prime rate (see above). As of June 30, 2019 and 2018, there was no outstanding balance.

Unsecured Lines of Credit

The Community Loan Fund also has available three unsecured lines of credit:

The first is a $2,000,000 unsecured revolving line of credit from a financial institution. The line of credit was originally established in June 2014 and has a new maturity date of November 23, 2019. Advances bear interest at the *Wall Street Journal's* prime rate (see above). As of June 30, 2019 and 2018, there was no outstanding balance.

The second is a $1,000,000 unsecured revolving line of credit from a financial institution. The line of credit was originally established in February 2014 and has a maturity date of February 20, 2020. During fiscal year 2019, this line of credit was increased to $2,000,000 and matures February 7, 2022. Advances bear interest at the *Wall Street Journal's* prime rate (see above). As of June 30, 2019 and 2018, there was no outstanding balance.

10. AVAILABLE CREDIT (Continued)

Unsecured Lines of Credit (Continued)

The third is a $250,000 unsecured revolving line of credit from a foundation. The line was originally established in March 2007 and set to mature on May 31, 2019. During 2019, this line of credit was extended to May 31, 2022. Advances bear interest at 5%. As of June 30, 2019 and 2018, there was no outstanding balance.

11. LOANS PAYABLE

At June 30, 2019 and 2018, there were 1,167 and 1,105 notes payable ranging in outstanding balances of $1,000 up to $6,000,000 and totaling $121,642,941 and $101,792,762, respectively. Loans payable consist of loans from individuals, religious institutions, nonprofit organizations, banks, and other organizations who have chosen to invest in the Community Loan Fund as a way to benefit the community - that is, they are interested in the social impact, as well as the financial return. Many also see this as a way to increase their financial commitment to the Community Loan Fund's mission, above and beyond what they can contribute as an outright contribution.

The Community Loan Fund actively pursues these investments, not only for the capital they bring to the Community Loan Fund, but because the investments in and of themselves serve the Community Loan Fund's mission by connecting those with financial resources to those without. Loans, which are generally non-amortizing, currently vary in length from one year to fifteen years, with interest rates from 0% to 5%, and are unsecured. Historically, over 75% of the number of loans that mature have been renewed. Accrued interest payable on loans payable was $1,303,332 and $1,180,583 as of June 30, 2019 and 2018, respectively.

The proceeds of the loans are restricted for the purposes of mission-related financing activities.

Principal payments on loans payable are scheduled to mature as follows:

Year Ending June 30	
2020	$ 13,318,801
2021	13,588,545
2022	13,368,304
2023	17,242,932
2024	10,628,528
Thereafter	53,495,831
	$ 121,642,941

At June 30, 2019, there were approximately $14,350,000 of new investor payable commitments not yet funded.

12. SUBORDINATED LOANS PAYABLE – EQUITY EQUIVALENT INVESTMENTS

Subordinated loans payable consists of "Equity Equivalents" (EQ2) notes payable to financial institutions. EQ2 notes payable are unsecured and are fully subordinate to loans payable and all other Community Loan Fund liabilities. The financial institutions making these EQ2 investments see this as an effective and efficient way both to strengthen the local economy and to meet community reinvestment obligations. As of June 30, 2019 and 2018, there were twenty EQ2 notes payable totaling $8,600,000 with interest rates ranging from 2% to 3%.

12. SUBORDINATED LOANS PAYABLE – EQUITY EQUIVALENT INVESTMENTS (Continued)

EQ2 notes payable generally have rolling terms and indeterminate maturities and may only be called by the investor with significant advance notice. Termination notices are in effect on two EQ2 investments that terminate in August 2020 ($800,000) and December 2026 ($1,000,000) respectively (see below).

One $500,000 EQ2 note payable has a ten-year term with a maturity date in February 2024. The maturity date automatically extends for an additional two years to February 2026, unless the Community Loan Fund opts out of the extension.

As of June 30, 2019 and 2018, EQ2s are summarized as follows:

Category of EQ2	Number of EQ2 Notes	Amount of EQ2 Notes
Rolling terms with indefinite maturities	17	$ 6,300,000
Termination notices issued	2	1,800,000
Maturity date issued at origination	1	500,000
Total	20	$ 8,600,000

13. CHARITABLE GIFT ANNUITIES PAYABLE

The Community Loan Fund receives contributions from donors who stipulate that the Community Loan Fund is to make annuity payments for life to an annuitant designated by the donor, with the remaining principal reverting to the Community Loan Fund after the death of the annuitant. The Community Loan Fund invests these charitable contributions in cash and marketable securities based upon investment regulations of the State of New Hampshire. The present value of the principal portion of estimated future annuity payments is recorded as a liability of the Community Loan Fund and the excess of the contribution over the present value is recorded as public support at the time of receipt. At June 30, 2019 and 2018, the present value of commitments to two annuitants totaled $26,907 and $25,086, respectively, and is included in accounts payable and accrued expenses in the accompanying statements of financial position.

14. CONTINGENCIES AND CONCENTRATION

Individual Development Accounts Collaborative

The Individual Development Accounts Collaborative (IDA) is administered by the Community Loan Fund through community organizations to offer people with low incomes financial training and matched-savings accounts to help them save for homeownership, post-secondary education, small-business investment, home repairs or vehicle purchase. Each dollar of savings by participants is matched with eight dollars using funds raised by the Community Loan Fund for this purpose.

As of June 30, 2019, the Community Loan Fund had a total of 1,075 IDA graduates. Each completed all training and savings requirements and purchased an approved asset. A total of 26 individuals are actively enrolled in the IDA program. If all of these individuals graduate from the program with the maximum allowed amount of matchable personal savings, it would result in an obligation to pay $104,000 in matching funds. To meet these obligations in subsequent years, there is $252,376 in IDA matching funds raised in previous years and set aside at June 30, 2019 in net assets with donor restrictions and deferred revenue (see Note 2).

14. CONTINGENCIES AND CONCENTRATION (Continued)

CDFI Awards Under the Capital Magnet Program

The Community Loan Fund received three rounds of Capital Magnet Fund (CMF) awards from the Treasury (see Note 1) as follows:

		Use of Proceeds		
Fiscal Year	Total Award	Qualified Loans	Pass-Through Grants to Homeowners	Direct Administrative Expenses (5%)
2011	$ 3,700,000	$ 3,058,176	$ 456,824	$ 185,000
2017	$ 1,502,163	$ 1,427,055	$ -	$ 75,108
2019	$ 1,500,000	$ 1,425,000	$ -	$ 75,000

CMF funds are treated as time restricted net assets during the initial five-year investment period applicable to each award, and they are released from net assets with donor restrictions after the five-year investment period ends (see Note 2).

Under the terms of the CMF agreements, the funded projects must comply with various affordability requirements for a period of ten years after the project completion date. For the 2011 CMF award, the ten-year affordability period ends in 2026. For the 2017 and 2019 CMF awards, the affordability period end-date will be established after funds have been fully deployed to qualified loans and the last project is completed. The Community Loan Fund expects the underlying transactions executed to comply with the grant's requirements and affordability restrictions for the duration of the compliance period. If a transaction involving funds previously released were to fall out of compliance, the Community Loan Fund would be required to replace the transaction and possibly the previously released funds with another qualifying expense or loan.

CMF funds make up 24% of total net public support revenue as of June 30, 2019.

15. RETIREMENT PLAN

The Community Loan Fund maintains a Section 401(k) retirement plan allowing employees to elect to defer compensation up to the maximum allowed under IRC regulations. Employees with a minimum of six months of employment receive a safe harbor contribution benefit in the first quarter of the calendar year. That benefit was calculated at 3% of eligible compensation for the fiscal year. For the years ended June 30, 2019 and 2018, the Community Loan Fund had $104,851 and $98,614, respectively, of retirement benefits expense, which is included in benefits in the accompanying statements of functional expenses.

16. RELATED PARTY TRANSACTIONS

The Community Loan Fund's by-laws require the Board of Directors to include representatives of borrower organizations and investors among its membership. All transaction decisions follow standard policies and procedures including those covering conflict of interest.

One member of the Board of Directors is employed by a nonprofit organization that has an outstanding loan from the Community Loan Fund totaling $617,613.

16. RELATED PARTY TRANSACTIONS (Continued)

Two members of the Board of Directors have provided investments or have family members who have provided investments totaling $364,093 to the Community Loan Fund as of June 30, 2019. Thirteen employees have provided investments or have family members who have provided investments totaling $396,872 to the Community Loan Fund as of June 30, 2019.

Board members and staff are typically donors to the Community Loan Fund. Donations and investments are accepted from employees, from individual Board members, or from organizations with which current and former employees and Board members are employed or associated. The transactions are part of the Community Loan Fund's normal course of business.

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general operating use, that is, without donor or other restrictions limiting their use (see Note 2), within one year of the statement of financial position date, comprise the following for fiscal year ending June 30:

	2019	2018
Cash and cash equivalents	$ 18,170,418	$ 6,454,627
Investments	12,561,035	7,520,889
Grants, contracts and other receivables	676,574	668,324
Current portion of pledges receivable	162,000	119,100
Current portion of loans receivable	2,611,836	4,815,263
Accrued interest receivable	706,913	577,727
	34,888,776	20,155,930
Less - investments in equity mutual funds which are not readily salable (see Note 3)	(51,939)	(50,253)
	$ 34,836,837	$ 20,105,677

The Community Loan Fund's investment and cash management objectives are to carry out the Community Loan Fund's mission. Effective investment and cash management enhances the Community Loan Fund's capacity to increase access to capital for the benefit of low- and moderate-income people. Also, the Community Loan Fund seeks to manage capital judiciously. The organization is committed to repaying in full all investors and to preserving its capital for use in fulfilling its mission.

As part of its internal cash management policies, the Community Loan Fund aims to maintain operating liquidity balances of at least three months of operating expenses. Cash exceeding short-term requirements is invested in various marketable securities, mainly Treasury and government agency instruments (see Note 3) following the parameters of a Board-approved Investment Policy. In managing its investment portfolio, the Community Loan Fund aims to minimize risk to principal and ensure compliance with all investor covenants.

The Community Loan Fund's Asset-Liability Committee (ALCO) is comprised of Senior Management. The ALCO regularly monitors the availability of resources required to manage liquidity, using a variety of reports and practices to manage asset-liability matching and to identify liquidity concerns, including a rolling six-month cash-forecasting model; a portfolio management report showing fund availability after required reserves and commitments; an 18-month investor maturity forecast reporting status of each followed by active engagement of investors; five-year projections showing financing activity with detailed deployment and capital assumptions; and other financial reports and scorecards showing indicators and ratios.

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

To ensure sufficient funding available to support investor repayments, as part of a Board-approved Investor Policy, the Community Loan Fund maintains an internal liquidity reserve of at least 10% of its total outstanding senior-debt investments. This reserve may be reduced by the amount of the Community Loan Fund's available lines of credit (unsecured or real-estate backed) (see Note 10) that can be readily accessed for capital liquidity purposes.

In its Board-approved Investor Policy, the Community Loan Fund has established a maximum investment amount that can come due at any time from one investor. This amount, currently at $3,000,000, has been set by the ALCO and may be changed from time to time by the ALCO. The Policy does not prevent an investor from investing more than this amount. The investment would need to be divided between more than one maturity date, each at least one year apart, with no one maturity exceeding the maximum amount.

To supplement liquidity for mission-related financing, the Community Loan Fund currently has five committed lines of credit from four different entities which it could draw upon, in the aggregate amount of $13,142,000 and $10,963,483 as of June 30, 2019 and 2018, respectively (see Note 10).

Another key source of liquidity includes loan sales, and participation and co-lending strategies.

- Loan Sales: The Community Loan Fund aims to leverage its assets and recycle capital by selling loans or pools of seasoned loans from our portfolio. The single-family mortgage portfolio of Welcome Home loans was designed in collaboration with local financial institutions that had interest in buying packaged, seasoned loans as part of the original Welcome Home loan recapitalization plan. To date, the Community Loan Fund has sold three separate $500,000 pools of seasoned Welcome Home loans to local banks. The most recent loan pool sale was in 2016, and the loans were sold at a premium.

- Participation Strategies: When considering large loans, especially those that are more than single loan size policies, the Community Loan Fund actively engages other organizations and individual investors in a variety of co-lending arrangements.

- Co-Investor Strategies: At origination, or for follow on financing, in both the Business Financing and ROC-NH product lines, the Community Loan Fund has engaged co-investors to invest directly in businesses and ROCs. These investors are available to take over some of the financing share either directly or as participants, if liquidity is needed.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Financial Position
June 30, 2019
(With Comparative Totals as of June 30, 2018)

	2019				2018
Assets	**Program Activities**	**Financing Activities**	**Eliminations**	**Total**	**Total**
Current Assets:					
Cash and cash equivalents	$ 2,830,052	$ 15,340,366	$ -	$ 18,170,418	$ 6,454,627
Cash and cash equivalents - pass-through	315,134	-	-	315,134	471,156
Marketable securities	-	12,561,035	-	12,561,035	7,520,889
Grants, contracts and other receivables	89,785	586,789	-	676,574	668,324
Current portion of pledges receivable	10,000	152,000	-	162,000	119,100
Interfund accounts receivable	-	859,632	(859,632)	-	-
Current portion of loans receivable	-	2,611,836	-	2,611,836	4,815,263
Current portion of interfund loans receivable	-	190,611	(190,611)	-	-
Accrued interest receivable	-	706,913	-	706,913	577,727
Property held for sale	-	339,075	-	339,075	60,000
Prepaid expenses and other	65,864	78,458	-	144,322	119,230
Total current assets	3,310,835	33,426,715	(1,050,243)	35,687,307	20,806,316
Loans Receivable, net of current portion and allowance for loan losses of $2,403,445	-	118,767,897	-	118,767,897	109,846,326
Pledges Receivable, net of current portion	-	50,000	-	50,000	120,000
Interfund Loans Receivable, net of current portion	-	2,477,948	(2,477,948)	-	-
Program-Related Development Investment, net	-	2,942,040	-	2,942,040	2,240,980
Equity Investments	-	1,122,922	-	1,122,922	703,028
Property and Equipment, net	3,960,801	-	-	3,960,801	3,936,779
Total assets	$ 7,271,636	$ 158,787,522	$ (3,528,191)	$ 162,530,967	$ 137,653,429
Liabilities and Net Assets					
Current Liabilities:					
Current portion of loans payable	$ -	$ 13,318,801	$ -	$ 13,318,801	$ 10,663,640
Accounts payable and accrued expenses	378,442	46,929	-	425,371	358,317
Accrued interest payable	-	1,303,332	-	1,303,332	1,180,583
Deferred revenue	225,125	20,000	-	245,125	219,214
Interfund accounts payable	859,632	-	(859,632)	-	-
Current portion of interfund loans payable	190,611	-	(190,611)	-	-
Total current liabilities	1,653,810	14,689,062	(1,050,243)	15,292,629	12,421,754
Long-Term Liabilities:					
Loans payable, net of current portion	-	108,324,140	-	108,324,140	91,129,122
Interfund loans payable, net of current portion	2,477,948	-	(2,477,948)	-	-
Subordinated loans payable - equity equivalent investments	-	8,600,000	-	8,600,000	8,600,000
Total liabilities	4,131,758	131,613,202	(3,528,191)	132,216,769	112,150,876
Net Assets:					
Without donor restrictions:					
Program	3,008,577	-	-	3,008,577	2,870,414
Financing	-	17,026,616	-	17,026,616	14,111,217
Total without donor restrictions	3,008,577	17,026,616	-	20,035,193	16,981,631
With donor restrictions:					
Program	104,050	-	-	104,050	172,379
Financing	-	10,147,704	-	10,147,704	8,295,290
Pass-through	27,251	-	-	27,251	53,253
Total with donor restrictions	131,301	10,147,704	-	10,279,005	8,520,922
Total net assets	3,139,878	27,174,320	-	30,314,198	25,502,553
Total liabilities and net assets	$ 7,271,636	$ 158,787,522	$ (3,528,191)	$ 162,530,967	$ 137,653,429

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Financial Position
June 30, 2018

Assets	**Program Activities**	**Financing Activities**	**Eliminations**	**Total**
Current Assets:				
Cash and cash equivalents	$ 2,786,658	$ 3,667,969	$ -	$ 6,454,627
Cash and cash equivalents - pass-through	471,156	-	-	471,156
Marketable securities	-	7,520,889	-	7,520,889
Grants, contracts and other receivables	54,820	613,504	-	668,324
Current portion of pledges receivable	52,000	67,100	-	119,100
Interfund accounts receivable	-	888,943	(888,943)	-
Current portion of loans receivable	-	4,815,263	-	4,815,263
Current portion of interfund loans receivable	-	190,611	(190,611)	-
Accrued interest receivable	-	577,727	-	577,727
Property held for sale	-	60,000	-	60,000
Prepaid expenses and other	70,859	48,371	-	119,230
Total current assets	3,435,493	18,450,377	(1,079,554)	20,806,316
Loans Receivable, net of current portion and allowance for loan losses of $1,984,188	-	109,846,326	-	109,846,326
Pledges Receivable, net of current portion	10,000	110,000	-	120,000
Interfund Loans Receivable, net of current portion	-	2,668,560	(2,668,560)	-
Program-Related Development Investments, net	-	2,240,980	-	2,240,980
Equity Investments	-	703,028	-	703,028
Property and Equipment, net	3,936,779	-	-	3,936,779
Total assets	$ 7,382,272	$ 134,019,271	$ (3,748,114)	$ 137,653,429

Liabilities and Net Assets				
Current Liabilities:				
Current portion of loans payable	$ -	$ 10,663,640	$ -	$ 10,663,640
Accounts payable and accrued expenses	318,898	39,419	-	358,317
Accrued interest payable	-	1,180,583	-	1,180,583
Deferred revenue	219,214	-	-	219,214
Interfund accounts payable	888,943	-	(888,943)	-
Current portion of interfund loans payable	190,611	-	(190,611)	-
Total current liabilities	1,617,666	11,883,642	(1,079,554)	12,421,754
Long-Term Liabilities:				
Loans payable, net of current portion	-	91,129,122	-	91,129,122
Interfund loans payable, net of current portion	2,668,560	-	(2,668,560)	-
Subordinated loans payable - equity equivalent investments	-	8,600,000	-	8,600,000
Total liabilities	4,286,226	111,612,764	(3,748,114)	112,150,876
Net Assets:				
Without donor restrictions:				
Program	2,870,414	-	-	2,870,414
Financing	-	14,111,217	-	14,111,217
Total without donor restrictions	2,870,414	14,111,217	-	16,981,631
With donor restrictions:				
Program	172,379	-	-	172,379
Financing	-	8,295,290	-	8,295,290
Pass-through	53,253	-	-	53,253
Total with donor restrictions	225,632	8,295,290	-	8,520,922
Total net assets	3,096,046	22,406,507	-	25,502,553
Total liabilities and net assets	$ 7,382,272	$ 134,019,271	$ (3,748,114)	$ 137,653,429

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019
(With Summarized Comparative Totals for the Year Ended June 30, 2018)

	2019								2018
	Without Donor Restrictions				With Donor Restrictions				
	Program Activities	Financing Activities	Eliminations	Total Without Donor Restriction	Program Activities	Financing Activities	Total With Donor Restrictions	Total	Total
Operating Revenues:									
Public support:									
Grants and contributions	$ 986,563	$ 2,711,306	$ -	$ 3,697,869	$ -	$ 2,401,062	$ 2,401,062	$ 6,098,931	$ 2,790,707
Grants - pass-through	129,513	-	-	129,513	-	-	-	129,513	157,940
Net assets released from restrictions	68,331	548,648	-	616,979	(68,331)	(548,648)	(616,979)	-	-
Net assets released from restrictions - pass-through	26,000	-	-	26,000	(26,000)	-	(26,000)	-	-
Less - grants passed through to others	(155,513)	-	-	(155,513)	-	-	-	(155,513)	(206,056)
Net public support	1,054,894	3,259,954	-	4,314,848	(94,331)	1,852,414	1,758,083	6,072,931	2,742,591
Earned revenue:									
Financial revenue:									
Interest on loans	-	8,890,377	(228,055)	8,662,322	-	-	-	8,662,322	7,698,809
Loan related fees	256,875	-	-	256,875	-	-	-	256,875	456,886
Investment income	7,641	248,924	-	256,565	-	-	-	256,565	179,371
Net loan loss provision	-	(476,648)	-	(476,648)	-	-	-	(476,648)	(253,242)
Less - interest expense	(228,055)	(4,334,615)	228,055	(4,334,615)	-	-	-	(4,334,615)	(3,762,207)
Net financial revenue	36,461	4,328,038	-	4,364,499	-	-	-	4,364,499	4,319,617
Training and other fees	24,056	-	-	24,056	-	-	-	24,056	23,782
Program service fees	4,802,241	-	(4,802,241)	-	-	-	-	-	-
Other net losses	(12,397)	(39,288)	-	(51,685)	-	-	-	(51,685)	(282,867)
Total earned revenue	4,850,361	4,288,750	(4,802,241)	4,336,870	-	-	-	4,336,870	4,060,532
Total operating revenues	5,905,255	7,548,704	(4,802,241)	8,651,718	(94,331)	1,852,414	1,758,083	10,409,801	6,803,123
Operating Expenses:									
Program services	4,814,241	4,828,496	(4,802,241)	4,840,496	-	-	-	4,840,496	4,612,292
Management and administrative	630,382	-	-	630,382	-	-	-	630,382	622,218
Fundraising	322,469	-	-	322,469	-	-	-	322,469	349,423
Total operating expenses	5,767,092	4,828,496	(4,802,241)	5,793,347	-	-	-	5,793,347	5,583,933
Changes in operating net assets	138,163	2,720,208	-	2,858,371	(94,331)	1,852,414	1,758,083	4,616,454	1,219,190
Non-Operating Revenue (Expense):									
Net unrealized gain on investments	-	231,423	-	231,423	-	-	-	231,423	259,851
Share of income (loss) from program-related development investment	-	(36,232)	-	(36,232)	-	-	-	(36,232)	276,021
Total non-operating revenue (expense)	-	195,191	-	195,191	-	-	-	195,191	535,872
Total changes in net assets	138,163	2,915,399	-	3,053,562	(94,331)	1,852,414	1,758,083	4,811,645	1,755,062
Net Assets:									
Beginning of year	2,870,414	14,111,217	-	16,981,631	225,632	8,295,290	8,520,922	25,502,553	23,747,491
End of year	$ 3,008,577	$ 17,026,616	$ -	$ 20,035,193	$ 131,301	$ 10,147,704	$ 10,279,005	$ 30,314,198	$ 25,502,553

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2018

	Without Donor Restrictions				With Donor Restrictions			
	Program Activities	Financing Activities	Eliminations	Total Without Donor Restriction	Program Activities	Financing Activities	Total With Donor Restrictions	Total
Operating Revenues:								
Public support:								
Grants and contributions	$ 996,412	$ 1,218,301	$ -	$ 2,214,713	$ 72,000	$ 503,994	$ 575,994	$ 2,790,707
Grants - pass-through	157,940	-	-	157,940	-	-	-	157,940
Net assets released from restrictions	158,854	503,242	-	662,096	(158,854)	(503,242)	(662,096)	-
Net assets released from restrictions - pass-through	48,116	-	-	48,116	(48,116)	-	(48,116)	-
Less - grants passed through to others	(206,056)	-	-	(206,056)	-	-	-	(206,056)
Net public support	1,155,266	1,721,543	-	2,876,809	(134,970)	752	(134,218)	2,742,591
Earned revenue:								
Financial revenue:								
Interest on loans	-	7,942,114	(243,305)	7,698,809	-	-	-	7,698,809
Loan related fees	456,886	-	-	456,886	-	-	-	456,886
Investment income	4,923	174,448	-	179,371	-	-	-	179,371
Net loan loss provision	-	(253,242)	-	(253,242)	-	-	-	(253,242)
Less - interest expense	(243,305)	(3,762,207)	243,305	(3,762,207)	-	-	-	(3,762,207)
Net financial revenue	218,504	4,101,113	-	4,319,617	-	-	-	4,319,617
Training and other fees	23,782	-	-	23,782	-	-	-	23,782
Program service fees	4,352,087	-	(4,352,087)	-	-	-	-	-
Other net gains (losses)	1,953	(284,820)	-	(282,867)	-	-	-	(282,867)
Total earned revenue	4,596,326	3,816,293	(4,352,087)	4,060,532	-	-	-	4,060,532
Total operating revenues	5,751,592	5,537,836	(4,352,087)	6,937,341	(134,970)	752	(134,218)	6,803,123
Operating Expenses:								
Program services	4,571,342	4,393,037	(4,352,087)	4,612,292	-	-	-	4,612,292
Management and administrative	622,218	-	-	622,218	-	-	-	622,218
Fundraising	349,423	-	-	349,423	-	-	-	349,423
Total operating expenses	5,542,983	4,393,037	(4,352,087)	5,583,933	-	-	-	5,583,933
Changes in operating net assets	208,609	1,144,799	-	1,353,408	(134,970)	752	(134,218)	1,219,190
Non-Operating Revenue (Expense):								
Share of income from program-related development investments	-	276,021	-	276,021	-	-	-	276,021
Net unrealized gain on investment	-	259,851	-	259,851	-	-	-	259,851
Total non-operating revenue	-	535,872	-	535,872	-	-	-	535,872
Total changes in net assets	208,609	1,680,671	-	1,889,280	(134,970)	752	(134,218)	1,755,062
Net Assets:								
Beginning of year	2,661,805	12,430,546	-	15,092,351	360,602	8,294,538	8,655,140	23,747,491
End of year	$ 2,870,414	$ 14,111,217	$ -	$ 16,981,631	$ 225,632	$ 8,295,290	$ 8,520,922	$ 25,502,553