



FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Contents
June 30, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 28 through 31 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, Brown, Fenning & Co., P.C.

Boston, Massachusetts
September 29, 2016

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statements of Financial Position
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 5,738,418	\$ 5,775,872
Cash and cash equivalents - pass through	447,200	833,060
Investments	6,570,287	6,485,220
Grants, contracts and other receivables	157,167	370,089
Current portion of pledges receivable	309,534	217,833
Current portion of loans receivable	1,970,397	2,150,715
Accrued interest receivable	464,965	721,586
Prepaid expenses and other	<u>15,561</u>	<u>21,255</u>
Total current assets	15,673,529	16,575,630
Loans Receivable, net of current portion and allowance for loan losses of \$3,668,058 and \$2,405,319 at June 30, 2016 and 2015, respectively	90,083,550	81,033,241
Pledges Receivable, net of current portion and discount	172,110	109,396
Program-Related Development Investments, net	2,097,768	1,866,461
Equity Investments	872,687	807,465
Property and Equipment, net	<u>4,151,879</u>	<u>4,225,419</u>
Total assets	<u>\$ 113,051,523</u>	<u>\$ 104,617,612</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of loans payable	\$ 7,844,366	\$ 4,915,789
Unsecured line of credit	-	1,000,000
Accounts payable and accrued expenses	357,709	464,333
Accrued interest payable	766,403	703,462
Deferred revenue	<u>218,036</u>	<u>438,831</u>
Total current liabilities	9,186,514	7,522,415
Long-Term Liabilities:		
Loans payable, net of current portion	72,252,871	66,507,963
Other liabilities - equity equivalent investments	<u>8,600,000</u>	<u>8,600,000</u>
Total liabilities	<u>90,039,385</u>	<u>82,630,378</u>
Net Assets:		
Unrestricted:		
Program	2,760,291	2,744,070
Financing	<u>9,832,334</u>	<u>7,688,150</u>
Total unrestricted	<u>12,592,625</u>	<u>10,432,220</u>
Temporarily restricted:		
Program	335,638	283,665
Financing	9,870,603	11,074,468
Pass through	<u>213,272</u>	<u>196,881</u>
Total temporarily restricted	<u>10,419,513</u>	<u>11,555,014</u>
Total net assets	<u>23,012,138</u>	<u>21,987,234</u>
Total liabilities and net assets	<u>\$ 113,051,523</u>	<u>\$ 104,617,612</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Activities and Changes in Net Assets
 For the Year Ended June 30, 2016
 (With Summarized Comparative Totals for the Year Ended June 30, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Operating Revenues:				
Public support:				
Grants and contributions	\$ 3,490,647	\$ 359,499	\$ 3,850,146	\$ 4,258,828
Grants - pass through	480,429	131,574	612,003	348,961
Net assets released from restrictions	1,511,391	(1,511,391)	-	-
Net assets released from restrictions - pass through	115,183	(115,183)	-	-
Less - grants passed through to others	(595,612)	-	(595,612)	(527,950)
Net public support	5,002,038	(1,135,501)	3,866,537	4,079,839
Earned revenue:				
Financial revenue:				
Interest on loans	6,694,651	-	6,694,651	6,069,613
Loan related fees	362,971	-	362,971	288,420
Investment income	83,458	-	83,458	108,072
Net loan loss provision	(1,310,609)	-	(1,310,609)	(839,670)
Less - interest expense	(2,931,850)	-	(2,931,850)	(2,641,005)
Net financial revenue	2,898,621	-	2,898,621	2,985,430
Training and other fees	32,111	-	32,111	29,266
Rental income	-	-	-	86,420
Other net losses	(3,447)	-	(3,447)	(70,151)
Total earned revenue	2,927,285	-	2,927,285	3,030,965
Total operating revenues	7,929,323	(1,135,501)	6,793,822	7,110,804
Operating Expenses:				
Program services	5,114,716	-	5,114,716	5,040,629
Management and administrative	626,172	-	626,172	700,548
Fundraising	270,773	-	270,773	225,474
Total operating expenses	6,011,661	-	6,011,661	5,966,651
Changes in operating net assets	1,917,662	(1,135,501)	782,161	1,144,153
Non-Operating Revenue:				
Share of income from program-related development investments	231,307	-	231,307	182,819
Net unrealized gain on investments	11,436	-	11,436	148,863
Total other changes in net assets	242,743	-	242,743	331,682
Total changes in net assets	2,160,405	(1,135,501)	1,024,904	1,475,835
Net Assets:				
Beginning of year	10,432,220	11,555,014	21,987,234	20,511,399
End of year	\$ 12,592,625	\$ 10,419,513	\$ 23,012,138	\$ 21,987,234

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating Revenues:			
Public support:			
Grants and contributions	\$ 2,757,565	\$ 1,501,263	\$ 4,258,828
Grants - pass through	285,022	63,939	348,961
Net assets released from restrictions	1,103,227	(1,103,227)	-
Net assets released from restrictions - pass through	242,928	(242,928)	-
Less - grants passed through to others	(527,950)	-	(527,950)
Net public support	<u>3,860,792</u>	<u>219,047</u>	<u>4,079,839</u>
Earned revenue:			
Financial revenue:			
Interest on loans	6,069,613	-	6,069,613
Loan related fees	288,420	-	288,420
Investment income	108,014	58	108,072
Net loan loss provision	(839,670)	-	(839,670)
Less - interest expense	(2,641,005)	-	(2,641,005)
Net financial revenue	<u>2,985,372</u>	<u>58</u>	<u>2,985,430</u>
Training and other fees	29,266	-	29,266
Rental income	86,420	-	86,420
Other net losses	(70,151)	-	(70,151)
Total earned revenue	<u>3,030,907</u>	<u>58</u>	<u>3,030,965</u>
Total operating revenues	<u>6,891,699</u>	<u>219,105</u>	<u>7,110,804</u>
Operating Expenses:			
Program services	5,040,629	-	5,040,629
Management and administrative	700,548	-	700,548
Fundraising	225,474	-	225,474
Total operating expenses	<u>5,966,651</u>	<u>-</u>	<u>5,966,651</u>
Changes in operating net assets	<u>925,048</u>	<u>219,105</u>	<u>1,144,153</u>
Non-Operating Revenue:			
Share of income from program-related development investments	182,819	-	182,819
Net unrealized gain on investments	148,863	-	148,863
Total other changes in net assets	<u>331,682</u>	<u>-</u>	<u>331,682</u>
Total changes in net assets	1,256,730	219,105	1,475,835
Net Assets:			
Beginning of year	<u>9,175,490</u>	<u>11,335,909</u>	<u>20,511,399</u>
End of year	<u>\$ 10,432,220</u>	<u>\$ 11,555,014</u>	<u>\$ 21,987,234</u>

The accompanying notes are an integral part of these statements.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statements of Cash Flows

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,024,904	\$ 1,475,835
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	184,422	195,007
Loans payable converted to contributions	(58,645)	(10,928)
Net loan loss provision	1,310,609	839,670
Net unrealized gain on investments	(11,436)	(148,863)
Amortization of premiums/discounts on investments	(379)	526
Share of income from program-related development investments	(231,307)	(182,819)
Other net losses	3,447	70,151
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	212,922	(251,178)
Pledges receivable	(154,415)	(169,136)
Accrued interest receivable	256,621	(161,599)
Prepaid expenses and other	5,694	23,352
Accounts payable and accrued expenses	(106,624)	(5,405)
Accrued interest payable	62,941	36,855
Deferred revenue	(220,795)	(285,021)
Net cash provided by operating activities	<u>2,277,959</u>	<u>1,426,447</u>
Cash Flows from Investing Activities:		
Issuance of loans receivable	(21,453,142)	(22,963,568)
Principal payments of loans receivable	11,269,095	12,487,383
Purchase of property and equipment	(110,882)	(62,162)
Purchases of investments	(5,092,494)	(1,263,563)
Purchases of equity investments	(130,490)	-
Proceeds from sale of investments	5,084,510	1,000,000
Net cash used in investing activities	<u>(10,433,403)</u>	<u>(10,801,910)</u>
Cash Flows from Financing Activities:		
Proceeds from loans payable	9,867,768	7,414,425
Proceeds from lines of credit	-	1,000,000
Payments made on lines of credit	(1,000,000)	-
Principal payments on loans payable	(1,135,638)	(1,750,439)
Net cash provided by financing activities	<u>7,732,130</u>	<u>6,663,986</u>
Net Change in Cash and Cash Equivalents	(423,314)	(2,711,477)
Cash and Cash Equivalents:		
Beginning of year	<u>6,608,932</u>	<u>9,320,409</u>
End of year	<u>\$ 6,185,618</u>	<u>\$ 6,608,932</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 2,868,909</u>	<u>\$ 2,604,150</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Functional Expenses
 For the Year Ended June 30, 2016
 (With Comparative Totals for the Year Ended June 30, 2015)

	2016						2015	
	Program Services			Support Services			Management and Administrative	Total
	Community Facilities	Affordable Housing	Business Finance	Capitalization and Philanthropy	Total Program Services	Fundraising		
Personnel costs:								
Salaries	\$ 100,923	\$ 2,091,724	\$ 669,893	\$ 421,128	\$ 3,283,668	\$ 181,806	\$ 3,770,705	\$ 3,739,885
Benefits	16,711	335,723	104,661	64,737	521,832	29,622	599,526	601,074
Payroll taxes	8,175	154,002	49,591	30,948	242,716	14,172	279,531	283,198
Total personnel costs	125,809	2,581,449	824,145	516,813	4,048,216	225,600	4,649,762	4,624,157
Professional services	7,817	117,826	65,570	25,826	217,039	5,031	285,778	201,147
Occupancy	12,889	73,649	27,011	21,423	134,972	7	209,058	251,604
Depreciation	11,015	65,013	26,824	18,299	121,151	-	184,422	195,007
Training and travel	2,713	96,542	23,326	21,492	144,073	1,486	156,752	152,930
Administrative services	389	94,069	41,958	4,289	140,705	2,506	150,015	173,464
Office expense	2,636	64,302	18,435	17,449	102,822	7,080	117,157	117,780
Communications	2,687	47,763	19,903	13,893	84,246	26,883	114,544	109,424
Equipment expense	1,310	38,113	10,022	10,333	59,778	1,965	81,388	82,765
Public education	1,165	31,912	2,968	13,053	49,098	215	50,169	10,819
Property expenses	-	12,616	-	-	12,616	-	12,616	47,554
Total expenses	\$ 168,430	\$ 3,223,254	\$ 1,060,162	\$ 662,870	\$ 5,114,716	\$ 270,773	\$ 6,011,661	\$ 5,966,651

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2015

	Program Services				Support Services		Total
	Community Facilities	Affordable Housing	Business Finance	Capitalization and Philanthropy	Management and Administrative	Fundraising	
Personnel costs:							
Salaries	\$ 98,901	\$ 2,144,820	\$ 610,399	\$ 410,241	\$ 306,280	\$ 169,244	\$ 3,739,885
Benefits	15,896	344,715	98,103	65,934	49,225	27,201	601,074
Payroll taxes	8,341	160,213	46,181	31,539	23,434	13,490	283,198
Total personnel costs	123,138	2,649,748	754,683	507,714	378,939	209,935	4,624,157
Professional services	9,552	93,747	34,887	19,710	39,242	4,009	201,147
Occupancy	7,547	70,450	25,161	22,644	125,802	-	251,604
Depreciation	5,439	51,298	31,301	16,317	90,652	-	195,007
Training and travel	2,814	97,859	20,886	15,855	13,702	1,814	152,930
Administrative services	530	124,293	33,414	5,944	7,739	1,544	173,464
Office expense	2,083	57,189	19,540	17,348	18,120	3,500	117,780
Communications	2,278	51,269	33,383	15,661	4,533	2,300	109,424
Equipment expense	1,389	33,757	10,836	13,629	20,902	2,252	82,765
Public education	97	6,517	2,738	430	917	120	10,819
Property expenses	-	47,554	-	-	-	-	47,554
Total expenses	\$ 154,867	\$ 3,283,681	\$ 966,829	\$ 635,252	\$ 700,548	\$ 225,474	\$ 5,966,651

The accompanying notes are an integral part of these statements.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Contents
June 30, 2016 and 2015

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 ten programs in service of the Community Loan Fund's mission provide economic opportunity technical assistance and loans in the areas of Affordable Housing, Community Facilities 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.

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

Individual Development Accounts Collaborative - Since 2001, assisting local organizations to help people with low incomes save for homeownership or post-secondary education through a matched-savings program and consumer education.

Community Facilities

Community Facilities - 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 nonprofit child care centers and home-based providers to preserve and create facilities for child development services.

Business Finance

Business Builder Loans - Since 1996, supporting the creation and retention of quality jobs by offering financing and training to owners of small businesses.

Vested for Growth - Since 2002, providing financing and technical assistance to businesses committed to long-term growth strategies based on employee involvement and quality.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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June 30, 2016 and 2015

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 2016 and 2015, the Community Loan Fund received grants of \$1,653,000 and \$2,000,000, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The Community Loan Fund prepares its financial statements in accordance with generally accepted accounting standards and principles 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.

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the Statements of Cash Flows, the Community Loan Fund considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Cash deposits are guaranteed up to certain amounts by the Federal Deposit Insurance Corporation (FDIC) for bank accounts, by the National Credit Union Administration for credit union 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, 2016 and 2015, are separately collateralized by securities held by the financial institutions.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

In January 2016, FASB issued Accounting Standards Update No. 2016-01, *Financial Instruments - Overall*. ASU 2016-01 provides guidance on organizations that are required to evaluate the need to disclose information about fair value of financial instruments. Under ASU 2016-01, the Community Loan Fund is no longer required to disclose such information in the footnotes to the financial statements. As a result of this accounting change, fiscal year 2016 and 2015 financial statements do not include these disclosures.

Investments

Investments are carried at fair value and consist of U. S. government agency securities, U.S. Treasury securities and mutual funds held for charitable gift annuities (see Note 13). Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the accompanying statements of financial position, with unrealized gains and losses included as a separate component of revenue. The accompanying financial statements include unrealized gains on debt security investments of \$88,436 and \$71,863 for the years ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and 2015, the fair value differed from the amortized cost of the debt security investments by \$48,049 and \$(40,387), respectively. 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 these securities until maturity. Investments are classified in current assets because there are no restrictions on their use and they are readily marketable.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Contents
June 30, 2016 and 2015

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 Note 11. 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 rate differentials.

Equity Investments

Equity investments are generally acquired in connection with certain Business Finance loan agreements and are carried at fair value as estimated in good faith per terms of 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 which are considered level 3 inputs (see page 10). 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.

Property and Equipment and Depreciation

Property and equipment 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	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, 2016 and 2015, the Community Loan Fund has not recognized any reduction in the carrying value of its property and equipment when considering these requirements.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

The Community Loan Fund records certain unused contract and Federal pass-through funds as deferred revenue in the accompanying Statements of Financial Position.

Net Assets

The Community Loan Fund's financial statement presentation follows U.S. GAAP for not-for-profit organizations, which requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. A description of the applicable net asset categories follows:

Unrestricted net assets - Include those net resources of the Community Loan Fund that bear no external restrictions and are generally available for use by the Community Loan Fund. These include certain funds set aside for loan loss reserves.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Community Loan Fund and/or the passage of time. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions (see Note 14). Temporarily restricted net assets are broken out to the following categories:

Program Activities - 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 for a time period or use for mission-related lending and investing. These include net assets for financing activities which will be re-deployed as lending capital (and remain as temporarily restricted) unless the grant is released due to a restriction being met. Because donors generally allow gifts 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). The Community Loan Fund released \$1,310,609 and \$839,670 related to net loan loss provision during the years ended June 30, 2016 and 2015, respectively. To the extent the Community Loan Fund has net recoveries above and beyond the loan loss provision, the amount is restored to this category. There were no such net recoveries during fiscal year 2016 or 2015. All but \$275,000 of these net assets may be used as reserves for uncollectible financing activities.

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

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. For the year ended June 30, 2016, the Community Loan Fund received in-kind legal and other professional services with a fair value of \$3,550. There were no in-kind contributions for the year ended June 30, 2015.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Peripheral or incidental transactions are reported as non-operating revenue. Non-operating revenue, consistent with industry practice, includes capital gains (losses) and share of income generated from equity method investments.

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 2016 and 2015, there were eight and five contributed loans payable and related interest totaling \$58,645 and \$10,928, 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 unrestricted revenues as earned on an accrual basis except where restricted by donors.

Fees and rental income are recognized on the accrual basis as services or goods are delivered or according to relevant benchmarks or criteria of the underlying agreements.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying Statements of Activities and Changes in Net Assets and Functional Expenses. Accordingly, certain costs that benefit more than one function have been allocated among the programs and supporting services.

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, 2016 and 2015.

Subsequent Events

Subsequent events have been evaluated through September 29, 2016, 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.

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3. INVESTMENTS

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

<u>Investments</u>	<u>2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government agency and U.S Treasury securities	\$ -	\$ 6,521,928	\$ -	\$ 6,521,928
Equity mutual funds	<u>48,359</u>	<u>-</u>	<u>-</u>	<u>48,359</u>
	<u>\$ 48,359</u>	<u>\$ 6,421,928</u>	<u>\$ -</u>	<u>\$ 6,570,287</u>

<u>Investments</u>	<u>2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government agency bonds	\$ -	\$ 6,433,260	\$ -	\$ 6,433,260
Equity mutual funds	<u>51,960</u>	<u>-</u>	<u>-</u>	<u>51,960</u>
	<u>\$ 51,960</u>	<u>\$ 6,433,260</u>	<u>\$ -</u>	<u>\$ 6,485,220</u>

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.

The Community Loan Fund's U.S. Government agency and U.S. Treasury bonds are valued using Level 2 inputs, which are determined using relevant information generated by transactions that have occurred in the market place 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).

Investments are not insured and are subject to ongoing market volatility.

4. PLEDGES RECEIVABLE

Unconditional pledges from donors are included in the accompanying financial statements as pledges receivable and revenue in the temporarily restricted net asset category. Pledges are recorded after discounting to the present value of the future cash flow.

Unconditional pledges are expected to be realized in the following periods at June 30:

	<u>2016</u>	<u>2015</u>
Amounts due in:		
Within one year	\$ 309,534	\$ 217,833
One to five years	174,100	113,934
Discount to net present value	<u>(1,990)</u>	<u>(4,538)</u>
	<u>\$ 481,644</u>	<u>\$ 327,229</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES

Loans Receivable

At June 30, 2016 and 2015, there were 794 and 749, respectively, loans receivable from the Community Loan Fund's borrowers. As of June 30, 2016, the balances due on these loans varied in amounts from \$432 to \$3,400,000, and in terms from twelve months to 33 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, 2016 and 2015, ranged from 0% to 12% (two Vested for Growth near-equity investments). The overall weighted average interest rate on the portfolio of loans receivable was 7.17% and 7.38% as of June 30, 2016 and 2015, respectively. Loans are primarily secured by first or second mortgage liens on real estate for affordable housing and community facilities loans, and business assets for business finance loans. These notes are issued in connection with the programs described in Note 1.

Loans receivable in each lending area are:

	2016			2015		
Affordable Housing:						
ROC-NH	91	\$ 56,892,217	59.4%	85	\$ 47,124,704	55.1%
Welcome Home Loans	638	27,042,286	28.3	598	24,724,986	28.9
Community Housing	4	1,332,892	1.4	5	1,394,854	1.6
Other Single Family Housing	<u>20</u>	<u>333,736</u>	<u>0.3</u>	<u>22</u>	<u>350,769</u>	<u>0.4</u>
Sub-total	<u>753</u>	<u>85,601,131</u>	<u>89.4</u>	<u>710</u>	<u>73,595,313</u>	<u>86.0</u>
Community Facilities:						
Nonprofit Facilities	1	1,440,971	1.5	1	1,640,971	1.9
Child Care Initiative	<u>7</u>	<u>1,524,489</u>	<u>1.6</u>	<u>7</u>	<u>961,563</u>	<u>1.1</u>
Sub-total	<u>8</u>	<u>2,965,460</u>	<u>3.1</u>	<u>8</u>	<u>2,602,534</u>	<u>3.0</u>
Business Finance:						
Vested for Growth	6	1,335,957	1.4	6	1,625,555	1.9
Business Builder Loans	22	5,809,358	6.1	19	7,752,087	9.1
MicroCredit-NH	<u>5</u>	<u>10,099</u>	<u>0.0</u>	<u>6</u>	<u>13,786</u>	<u>0.0</u>
Sub-total	<u>33</u>	<u>7,155,414</u>	<u>7.5</u>	<u>31</u>	<u>9,391,428</u>	<u>11.0</u>
Total	<u>794</u>	<u>\$ 95,722,005</u>	<u>100.0%</u>	<u>749</u>	<u>\$ 85,589,275</u>	<u>100.0%</u>

Loans receivable are presented net of third-party loan participations of \$2,158,368 and \$2,206,408 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015, there were no loans that exceeded this threshold.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES (Continued)

Loans Receivable (Continued)

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

	<u>2016</u>	<u>2015</u>
Amounts due in:		
Within one year	\$ 1,970,397	\$ 2,150,715
One to five years	13,810,743	13,883,400
More than five years	<u>79,940,865</u>	<u>69,555,160</u>
	95,722,005	85,589,275
Less - current portion	1,970,397	2,150,715
Less - allowance for loan losses	<u>3,668,058</u>	<u>2,405,319</u>
	<u>\$ 90,083,550</u>	<u>\$ 81,033,241</u>

In addition to loans receivable, the Community Loan Fund had loan commitments to borrowers totaling \$3,701,028 and \$2,253,600 at June 30, 2016 and 2015, respectively. Loan commitments represent arrangements to lend funds at specified terms and interest rates and contain fixed expiration dates or other termination clauses.

Other Financing Activities

For years ended June 30, 2016 and 2015, the Community Loan Fund had two unconditional outstanding letters of credit totaling \$75,000 with maturity dates of January 2017.

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, 2016 and 2015, was \$3,668,058 and \$2,405,319, representing 3.83% and 2.81%, respectively, of loans receivable.

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.

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6. ALLOWANCE FOR LOAN LOSSES (Continued)

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, 2016 and 2015:

<u>Loan Category</u>	<u>ALL June 30, 2015</u>	<u>Net Charge-offs of Loans in ALL at June 30, 2015</u>	<u>Provision</u>	<u>Recovery</u>	<u>ALL June 30, 2016</u>
Affordable Housing:					
ROC-NH	\$ 387,488	\$ -	\$ 114,072	\$ -	\$ 501,560
Welcome Home Loans	455,338	(7,542)	21,773	-	469,569
Other Single Family Housing	9,129	(569)	-	63	8,623
Community Housing	<u>12,554</u>	<u>-</u>	<u>109</u>	<u>-</u>	<u>12,663</u>
Sub-total, Affordable Housing Loans	<u>864,509</u>	<u>(8,111)</u>	<u>135,954</u>	<u>63</u>	<u>992,415</u>
Community Facilities:					
Nonprofit Facilities	163,277	-	-	(149,587)	13,690
Child Care Initiative	<u>10,699</u>	<u>-</u>	<u>10,546</u>	<u>-</u>	<u>21,245</u>
Sub-total, Community Facilities Loans	<u>173,976</u>	<u>-</u>	<u>10,546</u>	<u>(149,587)</u>	<u>34,935</u>
Business Finance:					
Vested for Growth	382,956	(8,003)	-	(133,062)	241,891
Business Builder Loans	976,419	(9,459)	-	1,427,096	2,394,056
MicroCredit-NH	<u>7,459</u>	<u>-</u>	<u>-</u>	<u>(2,698)</u>	<u>4,761</u>
Sub-total, Business Finance Loans	<u>1,366,834</u>	<u>(17,462)</u>	<u>1,427,096</u>	<u>(135,760)</u>	<u>2,640,708</u>
Grand Total	<u>\$ 2,405,319</u>	<u>\$ (25,573)</u>	<u>\$ 1,573,596</u>	<u>\$ (285,284)</u>	<u>\$ 3,668,058</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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June 30, 2016 and 2015

6. ALLOWANCE FOR LOAN LOSSES (Continued)

<u>Loan Category</u>	<u>ALL June 30, 2014</u>	<u>Net Charge-offs of Loans in ALL at June 30, 2014</u>	<u>Provision</u>	<u>Recovery</u>	<u>ALL June 30, 2015</u>
Affordable Housing:					
ROC-NH	\$ 432,050	\$ -	\$ -	\$ (44,562)	\$ 387,488
Welcome Home Loans	371,296	(7,807)	91,849	-	455,338
Other Single Family Housing	14,014	-	-	(4,885)	9,129
Community Housing	<u>5,412</u>	<u>-</u>	<u>7,142</u>	<u>-</u>	<u>12,554</u>
Sub-total, Affordable Housing Loans	<u>822,772</u>	<u>(7,807)</u>	<u>98,991</u>	<u>(49,447)</u>	<u>864,509</u>
Community Facilities:					
Nonprofit Facilities	180,749	-	-	(17,472)	163,277
Child Care Initiative	<u>10,563</u>	<u>-</u>	<u>136</u>	<u>-</u>	<u>10,699</u>
Sub-total, Community Facilities Loans	<u>191,312</u>	<u>-</u>	<u>136</u>	<u>(17,472)</u>	<u>173,976</u>
Business Finance:					
Vested for Growth	262,982	-	119,974	-	382,956
Business Builder Loans	332,111	-	644,308	-	976,419
MicroCredit-NH	<u>9,581</u>	<u>(504)</u>	<u>-</u>	<u>(1,618)</u>	<u>7,459</u>
Sub-total, Business Finance Loans	<u>604,674</u>	<u>(504)</u>	<u>764,282</u>	<u>(1,618)</u>	<u>1,366,834</u>
Grand Total	<u>\$ 1,618,758</u>	<u>\$ (8,311)</u>	<u>\$ 863,409</u>	<u>\$ (68,537)</u>	<u>\$ 2,405,319</u>

Net loan loss provision, as reported in the accompanying Statements of Activities and Changes in Net Assets, for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Allowance for loan losses:		
Provisions	\$ 1,573,596	\$ 863,409
Direct charge-offs not previously reserved	314,696	67,722
Actual recoveries from loans previously charged off	(292,399)	(22,924)
Valuation recovery from loans previously reserved	<u>(285,284)</u>	<u>(68,537)</u>
Net loan loss provision	<u>\$ 1,310,609</u>	<u>\$ 839,670</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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6. ALLOWANCE FOR LOAN LOSSES (Continued)

Direct charge-offs, net of recoveries, of \$47,870 and \$53,109, respectively, are reported as follows for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Direct charge-offs	\$ 340,269	\$ 76,033
Recoveries	<u>(292,399)</u>	<u>(22,924)</u>
Net direct charge-offs	<u>\$ 47,870</u>	<u>\$ 53,109</u>

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, 2016 and 2015, are set forth in the tables below. There were no impaired loans in the Community Facilities category.

<u>Loan Category</u>	<u>Number of Impaired Loans</u>	<u>2016 Amount of Impaired Loans</u>	<u>Allowance for Loan Losses</u>
Affordable Housing:			
Welcome Home Loans	35	\$ 1,604,365	\$ 240,654
Other Single Family Housing	<u>4</u>	<u>40,611</u>	<u>6,092</u>
Sub-total	<u>39</u>	<u>1,644,976</u>	<u>246,746</u>
Business Finance:			
Business Builder Loans	1	2,320,083	2,023,606
MicroCredit-NH	<u>3</u>	<u>5,682</u>	<u>4,328</u>
Sub-total	<u>4</u>	<u>2,325,765</u>	<u>2,027,934</u>
Total impaired loans	<u>43</u>	<u>\$ 3,970,741</u>	<u>\$ 2,274,680</u>

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6. ALLOWANCE FOR LOAN LOSSES (Continued)

Impaired Loans (Continued)

<u>Loan Category</u>	<u>2015</u>		
	<u>Number of Impaired Loans</u>	<u>Amount of Impaired Loans</u>	<u>Allowance for Loan Losses</u>
Affordable Housing:			
Welcome Home Loans	33	\$ 1,486,344	\$ 222,952
Other Single Family Housing	<u>4</u>	<u>45,636</u>	<u>6,845</u>
Sub-total	<u>37</u>	<u>1,531,980</u>	<u>229,797</u>
Business Finance:			
Business Builder Loans	1	25,564	12,205
Vested for Growth	1	368,003	237,522
MicroCredit-NH	<u>3</u>	<u>7,925</u>	<u>6,895</u>
Sub-total	<u>5</u>	<u>401,492</u>	<u>256,622</u>
Total impaired loans	<u>42</u>	<u>\$ 1,933,472</u>	<u>\$ 486,419</u>

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:

<u>2016 Troubled Debt Restructuring</u>	<u>Number of Loans Restructured</u>	<u>Amount of Restructured Loans</u>	<u>Allowance for Loan Losses</u>
Extension resulting from financial difficulty	7	\$ 175,195	\$ 27,539
Combination of interest rate reduction under court order and extension resulting from financial difficulty	<u>1</u>	<u>3,692</u>	<u>2,769</u>
Total TDRs	<u>8</u>	<u>\$ 178,887</u>	<u>\$ 30,308</u>

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6. ALLOWANCE FOR LOAN LOSSES (Continued)

Troubled Debt Restructuring (Continued)

<u>2015 Troubled Debt Restructuring</u>	<u>Number of Loans Restructured</u>	<u>Amount of Restructured Loans</u>	<u>Allowance for Loan Losses</u>
Extension resulting from financial difficulty	8	\$ 547,072	\$ 267,056
Combination of interest rate reduction under court order and extension resulting from financial difficulty	<u>1</u>	<u>4,212</u>	<u>3,665</u>
Total TDRs	<u>9</u>	<u>\$ 551,284</u>	<u>\$ 270,721</u>

7. PROGRAM-RELATED DEVELOPMENT INVESTMENTS

The Community Loan Fund holds \$2,098,268 and \$1,866,961 as of June 30, 2016 and 2015, respectively, in Program-Related Development Investments and all but \$500 is invested 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.

ROC USA is the sole member and owner of Residential Ownership Network and Residential Ownership Capital, LLC, which does business as ROC USA Capital. For financial reporting purposes, both ROC USA Network and ROC USA Capital are consolidated into the financial statements of ROC USA.

The Community Loan Fund is one of three original nonprofit organizations to 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 equal voting interests in ROC USA of 33%. During 2008, the Community Loan Fund invested \$500,000 in ROC USA through a series of calls.

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:

- The new LLC member, ROC Association, was not required to make a contribution to ROC USA. It has no capital interest and 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% of ROC USA, and the voting interests changed from 33% to 23.81%.

The value of ROC USA's investment was \$2,097,768 and \$1,866,461 as of June 30, 2016 and 2015, respectively. The valuations are based on the application of the equity method modified for a liquidation analysis. The liquidation analysis utilizes level 3 inputs (see Note 2). For the years ended June 30, 2016 and 2015, the Community Loan Fund's share of income was \$231,307 and \$182,819, respectively.

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8. EQUITY INVESTMENTS

Equity investments (see Note 2) 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, sometimes sitting on the investee's Board of Directors as either a voting or non-voting member.

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

<u>Business Sector</u>	<u>2016</u>	<u>2015</u>
Manufacturing	\$ 332,585	\$ 409,585
Information Technology	540,102	382,880
Farm and Food	-	15,000
Total	<u>\$ 872,687</u>	<u>\$ 807,465</u>

A reconciliation of Level 3 investments for the years ended June 30, 2016 and 2015, is as follows:

	<u>Equity Investments</u>
Balance as of June 30, 2014	\$ 465,465
Purchases	264,999
Unrealized gain	<u>77,000</u>
Balance as of June 30, 2015	807,465
Purchases	130,490
Realized loss	(15,000)
Unrealized loss	<u>(50,268)</u>
Balance as of June 30, 2015	<u>\$ 872,687</u>

9. PROPERTY AND EQUIPMENT

Property and equipment (see Note 2) consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Land	\$ 321,461	\$ 321,461
Buildings and improvements	4,761,503	4,701,416
Office furniture and equipment	<u>586,184</u>	<u>621,768</u>
	5,669,148	5,644,645
Less - accumulated depreciation	<u>1,517,269</u>	<u>1,419,226</u>
	<u>\$ 4,151,879</u>	<u>\$ 4,225,419</u>

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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, 2017. The amount available shall not exceed 85% of the fair value of the government bonds collateralizing the loan. On June 30, 2016, the gross fair value of the bonds was \$6,517,948, and therefore, \$5,540,256 was available to draw. Advances bear interest at the *Wall Street Journal's* prime rate (3.50% and 3.25% at June 30, 2016 and 2015, respectively). As of June 30, 2016 and 2015, 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. The line of credit was originally established in February 2000 and has a maturity date of July 31, 2017. Advances bear interest at the *Wall Street Journal's* prime rate (see Page 22). As of June 30, 2016 and 2015, 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 maturity date of June 23, 2017. Advances bear interest at the *Wall Street Journal's* prime rate (see Page 22). As of June 30, 2016 and 2015, 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 7, 2017. Advances bear interest at the *Wall Street Journal's* prime rate (see Page 22). As of June 30, 2016, there was no outstanding balance. As of June 30, 2015, there was an outstanding balance of \$1,000,000, which was repaid in July 2015.

The third is a \$250,000 unsecured revolving line of credit from a foundation. The line was originally established in March 2007 and matures on May 31, 2019. Advances bear interest at 5%. As of June 30, 2016 and 2015, there was no outstanding balance.

11. LOANS PAYABLE

At June 30, 2016 and 2015, there were 917 and 819 notes payable totaling \$80,097,237 and \$71,423,752, respectively, consisting of loans from individuals, religious institutions, nonprofit organizations, banks, and other organizations. These individuals and organizations have chosen to lend to 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.

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11. LOANS PAYABLE (Continued)

The Community Loan Fund actively pursues these investments, not only for the capital it brings 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 obligations. Historically, over 85% of loans that mature have been renewed.

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:

<u>Year Ending June 30,</u>	
2017	\$ 7,844,366
2018	8,874,319
2019	10,621,187
2020	16,037,485
2021	7,554,975
Thereafter	<u>29,164,905</u>
	<u>\$ 80,097,237</u>

12. OTHER LIABILITIES – EQUITY EQUIVALENT INVESTMENTS

Other Liabilities 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 have seen this as an effective and efficient way both to strengthen the local economy and to meet community reinvestment obligations. As of June 30, 2016 and 2015, there were twenty EQ2 notes payable totaling \$8,600,000 with interest rates ranging from 2% to 3%.

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 and December 2027 respectively (see table 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, 2016 and 2015, EQ2s are summarized as follows:

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

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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, 2016 and 2015, the present value of commitments to two annuitants totaled \$23,025 and \$26,614, respectively and is included in accounts payable and accrued expenses in the accompanying Statements of Financial Position.

14. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2016 and 2015, were as follows:

<u>Program Initiative</u>	<u>2016</u>		<u>Total</u>
	<u>Cash and Other Assets</u>	<u>Pledges Receivable</u>	
Program Activities:			
Business Finance - Farm and Food Initiative	\$ -	\$ 140,000	\$ 140,000
General Program Delivery and Operations	-	179,379	179,379
Child Care Program Delivery	259	-	259
IDA Program Delivery	-	16,000	16,000
	<u>259</u>	<u>335,379</u>	<u>335,638</u>
Financing Activities:			
General	6,748,531	63,896	6,812,427
Affordable Housing	3,058,176	-	3,058,176
	<u>9,806,707</u>	<u>63,896</u>	<u>9,870,603</u>
Pass-Through:			
Business Finance - Farm and Food Initiative	10,308	-	10,308
Child Care Financial Management	20,680	-	20,680
IDA Match Funds for Individuals	99,915	82,369	182,284
	<u>130,903</u>	<u>82,369</u>	<u>213,272</u>
Total temporarily restricted net assets	<u>\$ 9,937,869</u>	<u>\$ 481,644</u>	<u>\$ 10,419,513</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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14. TEMPORARILY RESTRICTED NET ASSETS (Continued)

<u>Program Initiative</u>	<u>2015</u>		<u>Total</u>
	<u>Cash and Other Assets</u>	<u>Pledges Receivable</u>	
Program Activities:			
Business Finance - Farm and Food Initiative	\$ -	\$ 196,117	\$ 196,117
General Program Delivery and Operations	-	58,000	58,000
Child Care Program Delivery	22,048	-	22,048
IDA Program Delivery	-	7,500	7,500
	<u>22,048</u>	<u>261,617</u>	<u>283,665</u>
Financing Activities:			
General	8,008,180	23,112	8,031,292
Affordable Housing	3,043,176	-	3,043,176
	<u>11,051,356</u>	<u>23,112</u>	<u>11,074,468</u>
Pass-Through:			
Business Finance - Farm and Food Initiative	45,465	-	45,465
Child Care Financial Management	43,940	-	43,940
IDA Match Funds for Individuals	-	42,500	42,500
ROC-NH - Improvements for ROCs	41,506	-	41,506
Business Finance - Business Education	23,470	-	23,470
	<u>154,381</u>	<u>42,500</u>	<u>196,881</u>
Total temporarily restricted net assets	<u>\$ 11,227,785</u>	<u>\$ 327,229</u>	<u>\$ 11,555,014</u>

15. CONTINGENCIES

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, 2016 and 2015, the Community Loan Fund had a total of 860 and 755, respectively, IDA graduates. Each completed all training and savings requirements and purchased an approved asset. A total of 186 and 214 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 \$745,757 and \$964,136, respectively, in matching funds. To meet these obligations in subsequent years, there is \$400,320 in IDA matching funds raised in previous years and set aside at June 30, 2016 in temporarily restricted net assets and deferred revenue, as well as an additional \$230,000 in committed funds, leaving a difference of \$113,806 as of June 30, 2016. The difference would be covered by future fundraising or existing unrestricted net assets available for general program activities.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

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June 30, 2016 and 2015

15. CONTINGENCIES (Continued)

CDFI Award Under the Capital Magnet Program

The Community Loan Fund was awarded a grant from the CDFI fund in 2011, of which \$3,515,000 of the proceeds are to be used to make qualifying loans and pass-through grants. Of this total, \$456,824 of the proceeds has been used to make pass-through grants to homeowners under the ROC-NH manufactured housing infill initiative.

Under the terms of the agreement, the funded projects must comply with various requirements for a period of ten years. These funds, with the exception of the funds released for pass-through awards, are included in temporarily restricted net assets. Due to the nature of making grants to qualified homeowners, the Community Loan Fund releases those gifts into unrestricted net assets in order to match the revenue with the grant expense. The Community Loan Fund expects the underlying transaction to comply with the grant's requirements and 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.

16. 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, 2016 and 2015, the Community Loan Fund had \$115,569 and \$115,986, respectively, of retirement benefits expense, which is included in benefits in the accompanying Statements of Functional Expenses.

17. 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.

Three members of the Board of Directors have provided loans or have family members who have provided loans totaling \$115,426 to the Community Loan Fund. Twelve employees have provided loans or have family members who have provided loans totaling \$388,910 to the Community Loan Fund.

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.

18. RECLASSIFICATIONS

Certain amounts in the fiscal year 2015 financial statements have been reclassified to conform with the fiscal year 2016 presentation.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Financial Position
 June 30, 2016
 (With Comparative Totals as of June 30, 2015)

Assets	2016			2015	
	Program Activities	Financing Activities	Eliminations	Total	Total
Current Assets:					
Cash and cash equivalents	\$ 2,608,206	\$ 3,130,212	\$ -	\$ 5,738,418	\$ 5,775,872
Cash and cash equivalents - pass through	447,200	-	-	447,200	833,060
Investments	-	6,570,287	-	6,570,287	6,485,220
Grants, contracts and other receivables	15,930	141,237	-	157,167	370,089
Current portion of pledges receivable	250,000	59,534	-	309,534	217,833
Interfund accounts receivable	-	750,588	(750,588)	-	-
Current portion of loans receivable	-	1,970,397	-	1,970,397	2,150,715
Current portion of interfund loans receivable	-	190,611	(190,611)	-	-
Accrued interest receivable	-	464,965	-	464,965	721,586
Prepaid expenses and other	15,561	-	-	15,561	21,255
Total current assets	3,336,897	13,277,831	(941,199)	15,673,529	16,575,630
Loans Receivable, net of current portion and allowance for loan losses of \$3,668,058	-	90,083,550	-	90,083,550	81,033,241
Pledges Receivable, net of current portion and discount	167,748	4,362	-	172,110	109,396
Interfund Loans Receivable, net of current portion	-	2,859,172	(2,859,172)	-	-
Program-Related Development Investments, net	-	2,097,768	-	2,097,768	1,866,461
Equity Investments	-	872,687	-	872,687	807,465
Property and Equipment, net	4,151,879	-	-	4,151,879	4,225,419
Total assets	\$ 7,656,524	\$ 109,195,370	\$ (3,800,371)	\$ 113,051,523	\$ 104,617,612
Liabilities and Net Assets					
Current Liabilities:					
Current portion of loans payable	\$ -	\$ 7,844,366	\$ -	\$ 7,844,366	\$ 4,915,789
Unsecured line of credit	-	-	-	-	1,000,000
Accounts payable and accrued expenses	328,916	28,793	-	357,709	464,333
Accrued interest payable	-	766,403	-	766,403	703,462
Deferred revenue	218,036	-	-	218,036	438,831
Interfund accounts payable	750,588	-	(750,588)	-	-
Current portion of interfund loans payable	190,611	-	(190,611)	-	-
Total current liabilities	1,488,151	8,639,562	(941,199)	9,186,514	7,522,415
Long-Term Liabilities:					
Loans payable, net of current portion	-	72,252,871	-	72,252,871	66,507,963
Interfund loans payable, net of current portion	2,859,172	-	(2,859,172)	-	-
Other liabilities - equity equivalent investments	-	8,600,000	-	8,600,000	8,600,000
Total liabilities	4,347,323	89,492,433	(3,800,371)	90,039,385	82,630,378
Net Assets:					
Unrestricted	2,760,291	9,832,334	-	12,592,625	10,432,220
Temporarily restricted:					
Program	335,638	-	-	335,638	283,665
Financing	-	9,870,603	-	9,870,603	11,074,468
Pass-through	213,272	-	-	213,272	196,881
Total temporarily restricted	548,910	9,870,603	-	10,419,513	11,555,014
Total net assets	3,309,201	19,702,937	-	23,012,138	21,987,234
Total liabilities and net assets	\$ 7,656,524	\$ 109,195,370	\$ (3,800,371)	\$ 113,051,523	\$ 104,617,612

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Financial Position
June 30, 2015

<u>Assets</u>	<u>Program Activities</u>	<u>Financing Activities</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets:				
Cash and cash equivalents	\$ 1,417,494	\$ 4,358,378	\$ -	\$ 5,775,872
Cash and cash equivalents - pass through	833,060	-	-	833,060
Investments	-	6,485,220	-	6,485,220
Grants, contracts and other receivables	16,225	353,864	-	370,089
Current portion of pledges receivable	208,000	9,833	-	217,833
Interfund accounts receivable	324,643	-	(324,643)	-
Current portion of loans receivable	-	2,150,715	-	2,150,715
Current portion of interfund loans receivable	-	190,611	(190,611)	-
Accrued interest receivable	-	721,586	-	721,586
Prepaid expenses and other	12,255	9,000	-	21,255
Total current assets	<u>2,811,677</u>	<u>14,279,207</u>	<u>(515,254)</u>	<u>16,575,630</u>
Loans Receivable, net of current portion and allowance for loan losses of \$2,405,319	-	81,033,241	-	81,033,241
Pledges Receivable, net of current portion and discount	96,117	13,279	-	109,396
Interfund Loans Receivable, net of current portion	-	2,859,172	(2,859,172)	-
Program-Related Development Investments, net	-	1,866,461	-	1,866,461
Equity Investments	-	807,465	-	807,465
Property and Equipment, net	<u>4,225,419</u>	<u>-</u>	<u>-</u>	<u>4,225,419</u>
Total assets	<u>\$ 7,133,213</u>	<u>\$ 100,858,825</u>	<u>\$ (3,374,426)</u>	<u>\$ 104,617,612</u>
Liabilities and Net Assets				
Current Liabilities:				
Current portion of loans payable	\$ -	\$ 4,915,789	\$ -	\$ 4,915,789
Unsecured line of credit	-	1,000,000	-	1,000,000
Accounts payable and accrued expenses	419,983	44,350	-	464,333
Deferred revenue	438,831	-	-	438,831
Accrued interest payable	-	703,462	-	703,462
Interfund accounts payable	-	324,643	(324,643)	-
Current portion of interfund loans payable	190,611	-	(190,611)	-
Total current liabilities	<u>1,049,425</u>	<u>6,988,244</u>	<u>(515,254)</u>	<u>7,522,415</u>
Long-Term Liabilities:				
Loans payable, net of current portion	-	66,507,963	-	66,507,963
Interfund loans payable, net of current portion	2,859,172	-	(2,859,172)	-
Other liabilities - equity equivalent investments	-	8,600,000	-	8,600,000
Total liabilities	<u>3,908,597</u>	<u>82,096,207</u>	<u>(3,374,426)</u>	<u>82,630,378</u>
Net Assets:				
Unrestricted	<u>2,744,070</u>	<u>7,688,150</u>	<u>-</u>	<u>10,432,220</u>
Temporarily restricted:				
Program	283,665	-	-	283,665
Financing	-	11,074,468	-	11,074,468
Pass-through	196,881	-	-	196,881
Total temporarily restricted	<u>480,546</u>	<u>11,074,468</u>	<u>-</u>	<u>11,555,014</u>
Total net assets	<u>3,224,616</u>	<u>18,762,618</u>	<u>-</u>	<u>21,987,234</u>
Total liabilities and net assets	<u>\$ 7,133,213</u>	<u>\$ 100,858,825</u>	<u>\$ (3,374,426)</u>	<u>\$ 104,617,612</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2016
(With Summarized Comparative Totals for the Year Ended June 30, 2015)

	2016					2015				
	Unrestricted		Temporarily Restricted			Unrestricted		Temporarily Restricted		
	Program Activities	Financing Activities	Eliminations	Total Unrestricted	Program Activities	Financing Activities	Total Temporarily Restricted	Program Activities	Financing Activities	Total
Operating Revenues:										
Public support:										
Grants and contributions	\$ 1,638,100	\$ 1,852,547	\$ -	\$ 3,490,647	\$ 252,755	\$ 106,744	\$ 359,499	\$ 3,850,146	\$ 3,850,146	\$ 4,258,828
Grants - pass through	480,429	-	-	480,429	131,574	-	131,574	612,003	612,003	348,961
Net assets released from restrictions	200,782	1,310,609	-	1,511,391	(200,782)	(1,310,609)	(1,511,391)	-	-	-
Net assets released from restrictions - pass through	115,183	-	-	115,183	(115,183)	-	(115,183)	-	-	-
Less - grants passed through to others	(595,612)	-	-	(595,612)	-	-	-	(595,612)	(595,612)	(527,950)
Net public support	1,838,882	3,163,156	-	5,002,038	68,364	(1,203,865)	(1,135,501)	3,866,537	3,866,537	4,079,839
Earned revenue:										
Financial revenue:										
Interest on loans	-	6,938,634	(243,983)	6,694,651	-	-	-	6,694,651	6,694,651	6,069,613
Loan related fees	362,971	-	-	362,971	-	-	-	362,971	362,971	288,420
Investment income	665	82,793	-	83,458	-	-	-	83,458	83,458	108,072
Net loan loss provision	-	(1,310,609)	-	(1,310,609)	-	-	-	(1,310,609)	(1,310,609)	(839,670)
Less - interest expense	(243,983)	(2,931,850)	243,983	(2,931,850)	-	-	-	(2,931,850)	(2,931,850)	(2,641,005)
Net financial revenue	119,653	2,778,968	-	2,898,621	-	-	-	2,898,621	2,898,621	2,985,430
Training and other fees	32,111	-	-	32,111	-	-	-	32,111	32,111	29,266
Rental income	-	-	-	-	-	-	-	-	-	86,420
Program service fees	4,047,930	-	(4,047,930)	-	-	-	-	-	-	-
Other net gains (losses)	12,043	(15,490)	-	(3,447)	-	-	-	(3,447)	(3,447)	(70,151)
Total earned revenue	4,211,737	2,763,478	(4,047,930)	2,927,285	-	-	-	2,927,285	2,927,285	3,030,965
Total operating revenues	6,050,619	5,926,634	(4,047,930)	7,929,323	68,364	(1,203,865)	(1,135,501)	6,793,822	6,793,822	7,110,804
Operating Expenses:										
Program services	5,060,453	4,102,193	(4,047,930)	5,114,716	-	-	-	5,114,716	5,114,716	5,040,629
Management and administrative	626,172	-	-	626,172	-	-	-	626,172	626,172	700,548
Fundraising	270,773	-	-	270,773	-	-	-	270,773	270,773	225,474
Total operating expenses	5,957,398	4,102,193	(4,047,930)	6,011,661	-	-	-	6,011,661	6,011,661	5,966,651
Changes in operating net assets	93,221	1,824,441	-	1,917,662	68,364	(1,203,865)	(1,135,501)	782,161	782,161	1,144,153
Non-Operating:										
Share of income from program-related development investments	-	231,307	-	231,307	-	-	-	231,307	231,307	182,819
Net unrealized gain (loss) on investments	(77,000)	88,436	-	11,436	-	-	-	11,436	11,436	148,863
Total other changes in net assets	(77,000)	319,743	-	242,743	-	-	-	242,743	242,743	331,682
Total changes in net assets	16,221	2,144,184	-	2,160,405	68,364	(1,203,865)	(1,135,501)	1,024,904	1,024,904	1,475,835
Net Assets:										
Beginning of year	2,744,070	7,688,150	-	10,432,220	480,546	11,074,468	11,555,014	21,987,234	21,987,234	20,511,399
End of year	\$ 2,760,291	\$ 9,832,334	\$ -	\$ 12,592,625	\$ 548,910	\$ 9,870,603	\$ 10,419,513	\$ 23,012,138	\$ 23,012,138	\$ 21,987,234

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Supplemental Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2015

	Unrestricted			Temporarily Restricted			Total
	Program Activities	Financing Activities	Eliminations	Total Unrestricted	Program Activities	Financing Activities	
Operating Revenues:							
Public support:							
Grants and contributions	\$ 1,679,122	\$ 1,078,443	\$ -	\$ 2,757,565	\$ 475,042	\$ 1,026,221	\$ 1,501,263
Grants - pass through	285,022	-	-	285,022	63,939	-	63,939
Net assets released from restrictions	263,557	839,670	-	1,103,227	(263,557)	(839,670)	(1,103,227)
Net assets released from restrictions - pass through	242,928	-	-	242,928	(242,928)	-	-
Less - grants passed through to others	(527,950)	-	-	(527,950)	-	-	-
Net public support	1,942,679	1,918,113	-	3,860,792	32,496	186,551	219,047
Earned revenue:							
Financial revenue:							
Interest on loans	-	6,328,167	(258,554)	6,069,613	-	-	-
Loan related fees	288,420	-	-	288,420	-	-	-
Investment income	658	107,356	-	108,014	58	-	58
Net loan loss provision	-	(839,670)	-	(839,670)	-	-	-
Less - interest expense	(258,554)	(2,641,005)	258,554	(2,641,005)	-	-	-
Net financial revenue	30,524	2,954,848	-	2,985,372	58	-	58
Rental income	86,420	-	-	86,420	-	-	-
Training and other fees	29,266	-	-	29,266	-	-	-
Program service fees	3,761,081	-	(3,761,081)	-	-	-	-
Other net losses	(6,661)	(63,490)	-	(70,151)	-	-	-
Total earned revenue	3,900,630	2,891,358	(3,761,081)	3,030,907	58	-	58
Total operating revenues	5,843,309	4,809,471	(3,761,081)	6,891,699	32,554	186,551	219,105
Operating Expenses:							
Program services	4,959,636	3,842,074	(3,761,081)	5,040,629	-	-	-
Management and administrative	700,548	-	-	700,548	-	-	-
Fundraising	225,474	-	-	225,474	-	-	-
Total operating expenses	5,885,658	3,842,074	(3,761,081)	5,966,651	-	-	-
Changes in operating net assets	(42,349)	967,397	-	925,048	32,554	186,551	219,105
Non-Operating:							
Share of income from program-related development investments	-	182,819	-	182,819	-	-	-
Net unrealized gain on investments	77,000	71,863	-	148,863	-	-	-
Total non-operating revenue	77,000	254,682	-	331,682	-	-	-
Total changes in net assets	34,651	1,222,079	-	1,256,730	32,554	186,551	219,105
Net Assets:							
Beginning of year	\$ 2,709,419	\$ 6,466,071	\$ -	\$ 9,175,490	\$ 447,992	\$ 10,887,917	\$ 11,335,909
End of year	\$ 2,744,070	\$ 7,688,150	\$ -	\$ 10,432,220	\$ 480,546	\$ 11,074,468	\$ 11,555,014