

Vermont Community Loan Fund, Inc.

FINANCIAL STATEMENTS

December 31, 2020

Vermont Community Loan Fund, Inc.
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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Vermont Community Loan Fund, Inc.
Montpelier, Vermont

We have audited the accompanying financial statements of Vermont Community Loan Fund, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Vermont Community Loan Fund, Inc. as of December 31, 2020, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information in Schedules 1 and 2 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 the 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.

A handwritten signature in cursive script that reads "Kittell Brancigan & Sargent". The signature is written in dark ink and is positioned above the printed text of the firm's name and location.

St. Albans, Vermont
March 16, 2021

Vermont Community Loan Fund, Inc.
STATEMENTS OF FINANCIAL POSITION
December 31,

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Note 2, 4 and 5	\$ 14,307,313	\$ 9,389,513
Investments - Certificates of Deposit - Note 2, 4 and 5	1,999,108	1,411,850
Investments - Note 3, 4 and 5	1,008,291	1,880,037
Other Receivables - Current Portion - Note 6	17,065	13,517
Loans Receivable - Current Portion - Note 7	5,112,005	5,920,153
Equipment Lease Receivable - Current Portion - Note 9	-	3,879
Accrued Interest Receivable	185,766	146,993
Prepaid Expenses	41,401	23,372
TOTAL CURRENT ASSETS	<u>22,670,949</u>	<u>18,789,314</u>
NON-CURRENT ASSETS		
Investments - Long-Term Portion- Note 3, 4 and 5	2,592,028	2,127,014
Loans Receivable - Long-Term Portion - Note 7	23,286,832	24,159,369
Equipment lease Receivable - Long-Term Portion - Note 9	-	9,715
Reserve for Loan Losses - Note 8	(1,751,486)	(1,982,514)
Plant and Equipment - (Net of Accumulated Depreciation) - Note 10	35,444	50,020
TOTAL NON-CURRENT ASSETS	<u>24,162,818</u>	<u>24,363,604</u>
TOTAL ASSETS	<u>\$ 46,833,767</u>	<u>\$ 43,152,918</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Accounts Payable	\$ 16,944	\$ 18,453
Accrued Liabilities	76,909	70,003
Borrower Deposits - Note 15	140,787	140,255
Accrued Interest Payable	235,922	218,929
Deferred Revenue - Current Portion - Note 11	29,790	30,238
Loans Payable - Current Portion - Note 12	8,865,323	9,233,215
TOTAL CURRENT LIABILITIES	<u>9,365,675</u>	<u>9,711,093</u>
NON-CURRENT LIABILITIES		
Deferred Revenue - Long-Term - Note 11	55,796	83,242
Loans Payable - Long-Term - Note 12	23,699,180	20,908,021
TOTAL NON-CURRENT LIABILITIES	<u>23,754,976</u>	<u>20,991,263</u>
TOTAL LIABILITIES	<u>33,120,651</u>	<u>30,702,356</u>
NET ASSETS		
Without Donor Restrictions- Note 14	10,792,753	9,985,289
With Donor Restrictions- Note 13 and 14	2,920,363	2,465,273
TOTAL NET ASSETS	<u>13,713,116</u>	<u>12,450,562</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 46,833,767</u>	<u>\$ 43,152,918</u>

The accompanying notes are an integral part of this financial statement.

Vermont Community Loan Fund, Inc.
STATEMENTS OF ACTIVITIES
For The Years Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 202,567	\$ 520,459	\$ 723,026	\$ 130,859	\$ 32,227	\$ 163,086
Grants	772,872	435,725	1,208,597	143,520	555,656	699,176
Financing Charges	74,485	-	74,485	84,763	-	84,763
Loan Interest	1,634,245	3,237	1,637,482	1,653,392	3,980	1,657,372
Net Investment Income	98,946	2,640	101,586	147,345	6,865	154,210
Recovery of Bad Debt and Foreclosure Expenses	44,732	-	44,732	1,600	-	1,600
Other Income	65,032	7,186	72,218	58,141	4,077	62,218
Net Assets Released from Restrictions - Note 13	514,157	(514,157)	-	519,046	(519,046)	-
TOTAL REVENUE	3,407,036	455,090	3,862,126	2,738,666	83,759	2,822,425
EXPENSES						
Program Services	2,113,184	-	2,113,184	2,321,368	-	2,321,368
Management and General	397,355	-	397,355	388,711	-	388,711
Fundraising	89,033	-	89,033	86,876	-	86,876
TOTAL EXPENSES	2,599,572	-	2,599,572	2,796,955	-	2,796,955
CHANGES IN NET ASSETS	807,464	455,090	1,262,554	(58,289)	83,759	25,470
NET ASSETS - January 1,	9,985,289	2,465,273	12,450,562	10,043,578	2,381,514	12,425,092
NET ASSETS - December 31,	<u>\$ 10,792,753</u>	<u>\$ 2,920,363</u>	<u>\$ 13,713,116</u>	<u>\$ 9,985,289</u>	<u>\$ 2,465,273</u>	<u>\$ 12,450,562</u>

The accompanying notes are an integral part of this financial statement.

Vermont Community Loan Fund, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ -	\$ 35,621	\$ -	\$ 35,621
Bank Charges	4,469	1,915	-	6,384
Board and Committee Expense	367	220	147	734
Computer Supplies	9,908	2,642	661	13,211
Consultants	60,283	25,835	-	86,118
Depreciation	22,811	6,083	1,521	30,415
Dues and Publications	6,780	1,808	452	9,040
Employee Search & Relocation Exp	-	250	-	250
Foreclosure Expense	75,083	-	-	75,083
Fiscal Sponsor Admin Fees	18,033	-	-	18,033
Grant Administrative Expenses	30,038	-	-	30,038
Insurance	10,973	2,926	732	14,631
Interest Expense	506,109	-	-	506,109
Legal	633	1,900	-	2,533
Loan Service Fees	7,451	-	-	7,451
Marketing and Communications	36,650	-	4,072	40,722
Provision for Loan Losses - Note 7	(124,057)	-	-	(124,057)
Occupancy Costs	62,227	16,594	4,149	82,970
Office Supplies	4,283	1,142	286	5,711
Outreach	16,472	-	1,830	18,302
Personnel Costs	1,103,412	294,243	73,561	1,471,216
Postage	1,870	935	312	3,117
Repairs and Maintenance	1,469	392	98	1,959
Staff Enrichment	3,050	813	203	4,066
Telephone	10,319	2,752	688	13,759
Training	3,051	813	203	4,067
Transportation	1,466	391	98	1,955
Travel	299	80	20	399
Pass Through Grant Expense	239,735	-	-	239,735
 TOTAL	 <u>\$ 2,113,184</u>	 <u>\$ 397,355</u>	 <u>\$ 89,033</u>	 <u>\$ 2,599,572</u>

The accompanying notes are an integral part of this financial statement.

Vermont Community Loan Fund, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ -	\$ 33,665	\$ -	\$ 33,665
Bank Charges	3,830	1,642	-	5,472
Board and Committee Expense	1,020	612	408	2,040
Computer Supplies	5,789	1,544	386	7,719
Consultants	73,910	31,676	-	105,586
Depreciation	26,703	7,120	1,780	35,602
Dues and Publications	6,380	1,701	425	8,506
Foreclosure Expense	29,257	-	-	29,257
Fiscal Sponsor Admin Fees	15,842	-	-	15,842
Grant Administrative Expenses	23,957	-	-	23,957
Insurance	10,666	2,844	711	14,221
Interest Expense	497,710	-	-	497,710
Legal	1,137	3,412	-	4,549
Loan Service Fees	15,912	-	-	15,912
Marketing and Communications	37,837	-	4,204	42,041
Provision for Loan Losses - Note 7	158,718	-	-	158,718
Occupancy Costs	63,892	17,038	4,260	85,191
Office Supplies	6,143	1,638	410	8,191
Outreach	24,737	-	2,749	27,486
Personnel Costs	1,030,999	274,933	68,733	1,374,665
Postage	2,111	1,056	352	3,519
Repairs and Maintenance	2,003	534	134	2,671
Staff Enrichment	2,398	640	160	3,198
Telephone	9,500	2,533	633	12,666
Training	4,108	1,095	274	5,476
Transportation	12,492	3,331	833	16,656
Travel	6,365	1,697	424	8,486
Pass Through Grant Expense	<u>247,952</u>	<u>-</u>	<u>-</u>	<u>247,952</u>
 TOTAL	 <u>\$ 2,321,368</u>	 <u>\$ 388,711</u>	 <u>\$ 86,876</u>	 <u>\$ 2,796,955</u>

The accompanying notes are an integral part of this financial statement.

Vermont Community Loan Fund, Inc.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31,

	<u>2020</u>	<u>2019</u>
INCREASE/(DECREASE) IN CASH		
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,262,554	\$ 25,470
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation Expense	30,415	35,602
Loans Receivable Charged Off	106,971	143,053
Equipment Lease Receivable Charged Off	-	7,515
Change in Provision for Loan Losses	(231,028)	8,150
(Increase)/Decrease in:		
Prepaid Expenses	(18,029)	8,620
Other Receivable	(3,548)	714,774
Increase/(Decrease) in:		
Accounts Payable	(1,509)	(11,486)
Accrued Liabilities	6,906	8,139
Borrower Deposits	532	140,255
Deferred revenue	(27,894)	(33,846)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,125,370</u>	<u>1,046,246</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(Increase) in Investments - Certificates of Deposits	(587,258)	990,677
Decrease/(Increase) in Investments	406,732	(738,297)
(Purchase) or Sale of Leasehold Improvements and Equipment	(15,839)	(18,015)
Principal Advances on Loans Receivable	(2,212,975)	(8,603,543)
Principal Payments on Loans Receivable	3,786,689	7,972,604
Principal Advances on Equipment Lease Receivable	-	(17,723)
Principal Payments on Equipment Lease Receivable	13,594	17,973
Decrease/(Increase) in Accrued Interest Receivable	(38,773)	(5,596)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,352,170</u>	<u>(401,920)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Accrued Interest Payable	16,993	14,792
Proceeds from additional Loans Payable	4,050,284	4,697,582
Principal Payments to Loans Payable	(1,627,017)	(3,348,701)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,440,260</u>	<u>1,363,673</u>
NET INCREASE IN CASH	4,917,800	2,007,999
CASH - January 1,	<u>9,389,513</u>	<u>7,381,514</u>
CASH - December 31,	<u>\$ 14,307,313</u>	<u>\$ 9,389,513</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid to investors	<u>\$ 488,566</u>	<u>\$ 483,642</u>

The accompanying notes are an integral part of this financial statement.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Vermont Community Loan Fund, Inc. (herein "The Fund") was organized in June, 1987 as a non-profit corporation under the laws of the State of Vermont and was granted exempt status by the Internal Revenue Service under IRC Section 501(c)(3) on April 27, 1988.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with generally accepted accounting principles.

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three (3) months of the date acquired by the Fund.

Plant and equipment is stated at cost for purchases higher than \$1,000. Normal maintenance and repair costs are expensed as incurred. Depreciation is charged using the straight-line method over the following estimated lives:

Leasehold Improvements	3 Years
Furniture, Fixtures and Equipment	5 Years
Computer Equipment	3 Years

Paid time off is accrued and charged to the appropriate program expense when earned by the employee.

Contributions of cash and other assets are reported as restricted if they are received with donor imposed stipulations that limit the use of the donated assets. Contributions can be unrestricted, temporarily restricted, or permanently restricted.

Net Assets without Donor Restrictions

These assets result from contributions and other inflows which have no restrictions and over which the Board of Directors retains full control to use in achieving any of its organizational purposes.

Net Assets with Donor Restrictions

These assets result from 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 Fund. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained for a particular use in perpetuity. Net assets with donor-imposed restrictions are released when the restriction expires which could be when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Fund reports each class of net assets within the following subcategories:

Program Activities – Include net assets that are restricted to cover program delivery expenses and general operating functions of the Fund, which could include salary, program costs, overhead, and other expenses.

Financing Activities – Net assets that are restricted for mission-related lending. Where restricted by donors, these include net assets which will be redeployed as lending capital unless the grant is released due to a restriction being met.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Because donors generally allow contributions to this category of net assets to offset loan charge-offs, the Fund releases an amount equivalent to the loss taken related to the charge-off. Any net recoveries related to the loan charge-off will be returned to this category.

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 program activities or financing activities.

The Fund classifies net assets with donor restrictions into three subcategories:

- *Purpose restricted* net assets include amounts restricted for program activities or mission related finance activities of the Fund.
- *Perpetual in nature* net assets include grant funds that are held in perpetuity.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Below Market Interest Rate Loans

Generally accepted accounting principles require not-for-profit organizations to record interest expense (income) and contribution revenue (expense) in connection with loans that are interest free or that have below market interest rates. The Fund believes there is no material difference between market rates for these types of loans and the stated rates of loans in their portfolios. Consequently, no adjustments have been made to the financial statements to reflect rate differentials.

Loans Receivable

The Fund considers all loans receivable as not held for sale therefore management intends to hold them until paid. Interest accrues daily on outstanding loan balances and the Fund generally collects payments on principal and interest monthly.

Loans become delinquent after 30 days have elapsed since the scheduled payment due date per the terms of the loan. Loans are recorded for non-accrual status when repayment of principal and/or interest in full is doubtful or the borrower's financial soundness is in serious jeopardy. If a loan is well secured and in the process of collection and not expected to result in a deficiency after collateral liquidation, the Fund's staff can recommend that the loan not be placed on non-accrual status. Loans that are removed from non-accrual status must be current and approved by the Fund's Executive Director with written notice.

Loans that have payments in arrears of 90 days or more will be reviewed for consideration as a potential loan charge-off. In the instance of secured loans, staff will take steps to review and evaluate the current value of collateral, including real estate, assigned accounts, chattel/personal property, and the strength of any loan guarantors or co-signers. After exhausting reasonable efforts in loan workout and collateral acquisition and liquidation, staff can categorize those non-performing loans as non-recoverable and offset the respective loan loss reserve account against the outstanding balance of the loan.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 CASH AND CERTIFICATES OF DEPOSIT

Cash and certificates of deposit as of December 31, 2020 and 2019 totaled \$16,306,421 and \$10,801,363, respectively.

<i>Cash and Certificates of Deposit</i>	<i>2020</i>	<i>2019</i>
Insured/(FDIC/NCUA)	\$ 1,476,762	\$ 1,049,605
Collateralized - Treasury	2,923,626	2,539,553
Collateralized - Pool	10,194,788	5,420,709
Uninsured/Uncollateralized	1,711,245	1,791,496
Total	\$ 16,306,421	\$ 10,801,363

The collateralized accounts are collateralized with government securities, federal agency issued mortgage backed securities and/or general obligation Vermont municipal notes and bonds held by the Bank's Trust department with a security interest granted to the Fund.

Per agreements with Green Mountain Power, USDA Rural Development, the Small Business Administration, and the Economic Development Authority (EDA), separate bank accounts are maintained totaling \$3,365,398 and \$3,173,058 at December 31, 2020 and 2019, respectively.

The book balance is comprised of cash and certificates of deposits as follows:

<i>Cash and Certificates of Deposit</i>	<i>2020</i>	<i>2019</i>
Cash and Cash Equivalents	\$ 14,307,313	\$ 9,389,513
Investments- Certificates of Deposit	1,999,108	1,411,850
Total	\$ 16,306,421	\$ 10,801,363

NOTE 3 INVESTMENTS

At December 31, 2020 and 2019, the Fund had \$3,600,319 and \$4,007,051 in investments in U.S. Government Agency Obligations, respectively.

The Fund's investments are reported at fair value in the accompanying balance sheets. The methods used to measure fair value may produce an amount that may not be indicative of net realizable or reflective of future fair values. Furthermore, although the Fund believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 INVESTMENTS (continued)

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The Fund uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 input and Level 3 inputs are only used when Level 1 inputs are not available. All of the investments held by the Fund are classified as Level 1.

Level 2 Fair Value Measurements

The fair value of U.S. government agency obligations is valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

The book balance is comprised of U.S. government agency obligations as follows:

<i>Investments</i>	2020	2019
Investments- U.S. Government Agency Obligations	\$ 3,600,319	\$ 4,007,051
Less: Current Portion	1,008,291	1,880,037
Non-Current Portion	\$ 2,592,028	\$ 2,127,014

NOTE 4 LIQUIDITY

Financial assets available for general operating use, that is, without donor or other restrictions limiting their use (see Note 5), within one year of the statement of financial position date, comprise the following at December 31, 2020.

Cash and cash equivalents	\$ 14,307,313
Investments - Certificates of Deposit	1,999,108
Investments	1,008,291
Other receivables	17,065
Loans receivable - current portion	5,112,005
Accrued interest receivable	185,766
	<hr/>
	\$ 22,629,548
Less:	
Pass-through cash and cash equivalents:	(521,328)
Borrower Deposits	(140,787)
Investor liquidity reserves	(2,605,160)
	<hr/>
	\$ 19,362,273

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 LIQUIDITY (continued)

The Fund's investment and cash management objectives are to carry out the Fund's mission. Effective investment and cash management enhances the Fund's capacity to increase access to capital for the benefit of low and moderate income Vermonters. The Fund is committed to repaying in full all investors and to preserve its capital for the use in fulfilling its mission.

As a part of its internal cash management policies, the Fund aims to maintain operating liquidity balances of at least three months of operating expenses and current payables. Cash exceeding short-term requirements can be invested in various marketable securities, mainly certificates of deposit from financial institutions, US government obligations, and/or US government agency securities (see Note 2 and 3) following the parameters of the Board-approved Investment and Cash Management Policy. In managing its investment portfolio, the Fund aims to minimize risk to principal and ensure compliance with all investor covenants.

To ensure sufficient funding available to support investor repayments, as part of a Board-approved Investment and Cash Management Policy, the Fund maintains an internal liquidity reserve equal to the greatest of 8% of unrestricted obligations to investors or 25% of unrestricted obligations to investors due in the next twelve months.

To supplement liquidity for mission related financing, the Fund currently has three committed lines of credit from three different banks which it could draw upon (see Note 17). As of December 31, 2020, none of these lines have outstanding balances.

NOTE 5 CASH AND INVESTMENT RESERVES

At December 31, 2020 and 2019, the Fund had cash and investments of \$19,906,740 and \$14,808,414, respectively. The Fund reserves a portion of this money for various purposes.

The following is a breakdown of these reserves.

<i>Type of Reserve</i>	2020	2019
Cash Reserved for GMP & GMPCHP	\$ 244,846	\$ 291,554
Cash Reserved for VECAA	282,721	263,028
Cash Reserved for Main Street Alliance	-	10,000
Cash Reserved for Let's Grow Kids	-	179
Cash Reserved for Loan Commitments & Undisbursed Closed Loans	3,920,703	1,602,589
Cash Reserved for Loan Loss & Investor Liquidity	4,356,646	4,393,813
Cash Reserved for Borrower Deposits	140,787	-
Available Cash - Undesignated (Operating)	1,402,033	917,801
Available Cash - for Lending	9,559,004	7,329,450
Total Cash	\$ 19,906,740	\$ 14,808,414

At December 31, 2020, the Available Cash – for Lending excludes various lines of credits and financing commitments as more fully described in Note 17. Financing Commitments.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 OTHER RECEIVABLES

At December 31, 2020 and 2019, the Fund had other receivables of \$17,065 and \$13,517 respectively. Other receivable are comprised of grants which will be received in 2020.

Other Receivables	2020	2019
EDA CARES Technical Assistance Grant	\$ 5,934	\$ -
USDA (RMAP) Technical Assistance Grant	3,198	3,111
SBA Technical Assistance Grant	7,933	10,406
Total	\$ 17,065	\$ 13,517

NOTE 7 LOANS RECEIVABLE

At December 31, 2020 and 2019, there were 231 loans receivable, respectively. The loan balances at December 31, 2020 vary in amount from \$629 to \$2,150,057 with maturity dates ranging from January 1, 2021 to December 1, 2041 and with interest rates from 0% to 8% with a weighted average rate of 5.31%. Security interests vary from loan guarantees and senior and junior mortgages to personal and business property.

Total loans receivable at December 31, 2020 and 2019 were \$28,398,837 and \$30,079,522, respectively.

Loans Receivable	2020	2019
Loans Current, Per Terms of Loan	\$ 27,487,385	\$ 28,834,461
Loans Delinquent, 31-90 Days	501,611	331,389
Non-Performing Loans	409,841	913,672
Total	28,398,837	30,079,522
Less: Current Portion	(5,112,005)	(5,920,153)
Non-Current Portion	\$ 23,286,832	\$ 24,159,369

Maturities of Loans Receivable at December 31, 2020 are as follows:

2021	\$ 5,112,005
2022	5,521,531
2023	4,496,635
2024	4,828,651
2025	3,778,123
Thereafter	<u>4,661,892</u>
Total	<u>\$ 28,398,837</u>

In 2013, the Fund was approved to be a member of the U.S. Small Business Administration 7(a) Loan Guarantee Program – Community Advantage Pilot Program. The guarantee program provides guarantees for 85% of the principal balance of qualifying loans equal to or under \$150,000 and a 75% guarantee for loans over \$150,000. As of December 31, 2020 and 2019 the guaranteed principal balance was \$473,042 and \$553,063, respectively. The total outstanding balances for these loans as of December 31, 2020 and 2019 were \$604,830 and \$704,527, respectively.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 LOANS RECEIVABLE (continued)

Because the Fund's participation in the U.S. Small Business Administration 7(a) Loan Guarantee Program – Community Advantage Pilot Program, the Fund was able to become a Paycheck Protection Program (PPP) lender under the Coronavirus Aid, Relief, and Economic Security Act (CARES). In 2020, the Fund closed eleven (11) PPP loans totaling \$369,811. As of December 31, 2020, the outstanding balance for these loans was \$212,992.

At December 31, 2020 and 2019, the Fund also held a \$95,000 note receivable which will only be recoverable under certain conditions and, therefore, this loan is not included in the total above, or in Exhibit I. This loan was made to the Crystal Lake Housing Limited Partnership (Crystal Lake) and is structured as a thirty (30) year, 0% deferred note. This repayment of this note is based on the future cash flow and ability of the borrower to repay. A grant was received by the fund to make this loan. This grant does not require any payback by the Fund regardless of the collection of the loan from Crystal Lake.

At December 31, 2020 and 2019, the Fund also held a \$400,000 note receivable which will only be recoverable under certain conditions and, therefore, this loan is not included in the total above, or in Exhibit I. This loan was made to the Moose River Housing Limited Partnership (Moose River) and is structured as a thirty (30) year, 0% deferred note.

This repayment of this note is based on the future cash flow and ability of the borrower to repay. A grant was received by the Fund to make this loan. This grant does not require any payback by the Fund regardless of the collection of the loan from Moose River.

At December 31, 2020 and 2019, the Fund also held a \$413,400 note receivable which will only be recoverable under certain conditions and, therefore, this loan is not included in the total above, or in Exhibit I. This loan was made to the Evergreen Housing Limited Partnership (Evergreen) and is structured as a thirty (30) year, 0% deferred note. The repayment of this note is based on the future cash flow and ability of the borrower to repay. A grant was received by the Fund to make this loan. This grant does not require any payback by the Fund regardless of the collection of the loan from Evergreen.

Per its Bylaws, the Vermont Community Loan Fund, Inc. actively seeks out community-based nonprofit organizations and members of lending institutions to serve on the Board of Directors. Consequently, during the course of business, loans may be made to organizations of which current Vermont Community Loan Fund, Inc. members are significant employees or board directors.

Committed Funds to Borrowers

At December 31, 2020 and 2019, there were thirty (30) and nineteen (19) outstanding loan commitments and loans not fully disbursed totaling \$3,920,703 and \$1,602,589, respectively.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 LOAN LOSS RESERVE

The Vermont Community Loan Fund, Inc. has established a reserve to cover potential loan losses. The reserve amount is based on a risk rating system. Each loan in the portfolio is assigned a risk rating which is tied to a percentage. This percentage is used to determine the reserve amount for each loan based on the outstanding loan balance. Each loan's risk rating is evaluated at the time of origination and annually by both the loan officer and the loan monitoring committee. This process is intended to manage the risk of the portfolio. It should assure a consistent level of awareness regarding the risk and a systematic method of adjusting the portfolio's reserves to accommodate risk levels at any given time. The loan loss reserve account is funded from unrestricted net assets. The loan loss reserves at December 31, 2020 and 2019 are \$1,751,486 and \$1,982,514, respectively.

Changes in the loan loss reserve for the years ended December 31, were as follows:

2020	Housing	Community Facilities	Business	Early Care & Learning	Total
Balance					
Dec 31, 2019	\$ 673,786	\$ 224,750	\$ 662,975	\$ 421,003	\$ 1,982,514
Provision for Loan Losses	(42,786)	(8,582)	(142,542)	25,121	(168,789)
Recoveries of amounts charged off	30,000	-	260	14,472	44,732
	661,000	216,168	520,693	460,596	1,858,457
Amounts Charged off	-	-	-	(106,971)	(106,971)
Balance					
Dec 31, 2020	\$ 661,000	\$ 216,168	\$ 520,693	\$ 353,625	\$ 1,751,486

2019	Housing	Community Facilities	Business	Early Care & Learning	Total
Balance					
Dec 31, 2018	\$ 538,396	\$ 306,370	\$ 673,745	\$ 455,853	\$ 1,974,364
Provision for Loan Losses	160,390	(81,620)	(3,255)	81,603	157,118
Recoveries of amounts charged off	-	-	-	1,600	1,600
	698,786	224,750	670,490	539,056	2,133,082
Amounts Charged off	(25,000)	-	(7,515)	(118,053)	(150,568)
Balance					
Dec 31, 2019	\$ 673,786	\$ 224,750	\$ 662,975	\$ 421,003	\$ 1,982,514

Despite the above allocation, the loan loss reserve is general in nature and is available to absorb loss from any loan type.

The Fund's impairment methodology is to individually evaluate every loan for impairment in calculating the loan loss reserve.

The following table summarizes the loan ratings applied to the Fund's loan types as of December 31:

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 LOAN LOSS RESERVE (continued)

2020 Risk	Housing	Community Facilities	Business	Early Care & Learning	Total
Low	\$ 375,172	\$ 40,021	\$ -	\$ -	\$ 415,193
Moderate	3,107,577	949,186	-	107,026	4,163,789
Average	5,277,312	-	3,968,302	1,815,622	11,061,236
Substantial	5,462,481	4,030,608	1,207,990	310,042	11,011,121
High	512,433	-	482,322	493,571	1,488,326
Workout	85,000	-	-	174,172	259,172
Total	\$ 14,819,975	\$ 5,019,815	\$ 5,658,614	\$ 2,900,433	\$ 28,398,837

2019 Risk	Housing	Community Facilities	Business	Early Care & Learning	Total
Low	\$ 474,421	\$ 44,816	\$ -	\$ -	\$ 519,237
Moderate	3,237,801	973,516	185,241	117,338	4,513,896
Average	5,276,410	239,354	4,757,993	1,986,350	12,260,107
Substantial	5,251,032	4,098,249	861,934	290,589	10,501,804
High	510,909	-	761,417	617,940	1,890,266
Workout	164,335	-	-	229,877	394,212
Total	\$ 14,914,908	\$ 5,355,935	\$ 6,566,585	\$ 3,242,094	\$ 30,079,522

The following is an overview of the Fund's loan rating system:

1 Rating – Low Risk

At origination, loans will warrant a rating of “1” when the loan is fully secured by cash or other liquid securities. This also would apply to loans that are pre-funded with designated funds from outside entities and there is no risk of VCLF capital. On a continuing basis, loans will warrant a rating of “1” only when the loan exhibits all of the following characteristics:

- Loan is current.
- Balance remains fully secured

2 Rating – Moderate Risk

At origination, loans will warrant a rating of “2” when the loan exhibits the following characteristics:

- The loan either has a strong collateral position with a discounted LTV of at least 80% or historical and projected cash flow provide debt service coverage of at least 1.3x.
- The loan officer believes there is very low risk of the loan going into default and very low risk of loss to VCLF

On a continuing basis, loans will warrant a rating of “2” when the loan exhibits the following characteristics:

- Loan payments are timely.
- Borrower's financial condition is stable (able to meet financial obligations).

NOTE 8 LOAN LOSS RESERVE (continued)

3 Rating – Average Risk

At origination, loans will warrant a rating of “3” when the loan exhibits the following characteristics:

- Collateral coverage of the loan is sufficient with a discounted LTV of at least 100% but the liquidation value may be questionable.
- Cash flow coverage is sufficient with debt service coverage of at least 1.1x

On a continuing basis, loans will warrant a rating of “3” when the loan exhibits any of the following characteristics:

- Loan payments are frequently late.
- Borrower’s financial condition is weak (having difficulty meeting financial obligations).
- Financial reports are irregular.

4 Rating – Substantial Risk

In general, the Business lending shall not seek to originate loans with a risk rating of “4”. On a continuing basis, loans will warrant a rating of “4” when the loan exhibits any of the following characteristics:

- Loan payments are frequently 30 days past due without good cause.
- Borrower’s financial condition is weak (unable to meet financial obligations).
- Financial reports are non-existent without good cause.
- Evidence of fraud.
- Serious documentation deficiencies (i.e. insurance coverage)
- Workout is a consideration.

5 Rating – High Risk

Loans will warrant a rating of “5” when the loan exhibits the following characteristics:

- The loan officer believes there is a significant risk that the loan will remain non-performing.

6 Rating – Workout

A loan will warrant a “6” rating when it is deemed that there is virtually no chance that a loan will be performing and it is either in foreclosure or going through a voluntary liquidation with the borrower. A loan will maintain this rating until it has been charged off.

The following table provides information with respect to loans individually assessed for impairment as of and for the year ended December 31:

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 LOAN LOSS RESERVE (continued)

2020	Recorded Investment	Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Housing	\$ 14,819,975	\$ 14,819,975	\$ 661,000	\$ 14,867,442	\$ 784,222
Community Facilities	5,019,815	5,019,815	216,168	5,187,875	291,483
Business	6,112,600	6,112,600	520,693	6,112,600	374,835
Early Care & Learning	3,071,264	3,071,264	353,625	3,071,264	186,942
Total	\$ 29,023,654	\$ 29,023,654	\$ 1,751,486	\$ 29,239,181	\$ 1,637,482

2019	Recorded Investment	Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Housing	\$ 14,914,908	\$ 14,914,908	\$ 673,786	\$ 13,803,784	\$ 765,227
Community Facilities	5,355,935	5,355,935	224,750	6,083,534	321,401
Business	6,566,585	6,566,585	662,975	6,601,590	393,702
Child Care	3,242,094	3,242,094	421,003	3,346,673	177,042
Total	\$ 30,079,522	\$ 30,079,522	\$ 1,982,514	\$ 29,835,581	\$ 1,657,372

For the years ended December 31, 2020 and 2019, \$1,637,482 and \$1,657,372 was recognized as interest income from the above loans.

As of December 31, 2020 and 2019, the Fund was not committed to lend any additional funds to borrowers whose loans were nonperforming, impaired or restructured.

NOTE 9 EQUIPMENT ACCESS PROGRAM

The Equipment Access Program (EAP) is a partnership between the Vermont Community Loan Fund and two food business incubators, the non-profit Center for an Agricultural Economy and the for profit Mad River Food Hub L3C. The Memorandum of Understanding was finalized April 28, 2014. The program is a revolving lease fund that helps emerging food processors find and finance the equipment they need to grow their businesses. The food business incubators provide customers, equipment and business expertise. VCLF provides the administrative services including lease documentation, billing systems, accounting and financial reporting. Philanthropic sources have provided grant capital to be used to reduce the lease amount owed. At the end of 2020, the decision was made to move the program to the Center for an Agricultural Economy (CAE). The remaining monies at the end of 2020 will be transferred to CAE in early 2021. At December 31, 2020 and 2019, there were zero (0) and five (5) equipment leases, respectively. Total equipment leases receivable at December 31, 2020 and 2019 were \$0 and \$13,594, respectively.

<i>Equipment Leases Receivable</i>	2020	2019
Loans Current, Per Terms of Loan	\$ -	\$ 13,594
Loans Delinquent, 31-90 Days	-	-
Non-Performing Loans	-	-
Total	-	13,594
Less: Current Portion	-	(3,879)
Non-Current Portion	\$ -	\$ 9,715

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 10 PLANT AND EQUIPMENT

The following is a summary of net plant and equipment at December 31, 2020 and 2019:

Fixed Assets	Gross Fixed Assets 12/31/20	Accumulated Depreciation 12/31/20	Net Book Value 12/31/20	Gross Fixed Assets 12/31/19	Accumulated Depreciation 12/31/19	Net Book Value 12/31/19
Furniture, Fixtures and Equipment	\$ 184,024	\$ 148,866	\$ 35,158	\$ 176,031	\$ 126,726	\$ 49,305
Leasehold Improvements	16,109	15,823	286	16,109	15,394	715
Total	\$ 200,133	\$ 164,689	\$ 35,444	\$ 192,140	\$ 142,120	\$ 50,020

NOTE 11 DEFERRED REVENUE

At December 31, 2020 and 2019, deferred revenue was \$85,586 and \$113,480 respectively.

In late 2016, with start-up support from the State of Vermont's Working Lands Enterprise Initiative (WLEB), the Fund started the Sprout Deferred Payment Loan Program (Sprout) to help meet the financing needs of work land entrepreneurs who might not be eligible for a loan otherwise. The initial grant funding in 2016 as well as additional funding in 2018 from WLEB covers a portion of the loan interest. As of December 31, 2020 and 2019, there were 20 and 18 borrowers were participating in the Sprout program, respectively.

In 2019, The Fund acted as a fiscal agent for the Let's Grow Kid's (LGK) to provide funding through its Starting Points Network Support Grants. Unused funds remaining at the end of 2019 were returned to LGK in 2020.

Deferred revenue consists of remaining WLEB expected to be earned in subsequent years.

Deferred Revenue	2020	2019
WLEB	\$ 85,586	\$ 113,461
Let's Grow Kids	-	19
Total Deferred Revenue	\$ 85,586	\$ 113,480
Less: Current Portion	(29,790)	(30,238)
Non-Current Portion	\$ 55,796	\$ 83,242

NOTE 12 LOANS PAYABLE

At December 31, 2020 and 2019, there were various loans payable. There were 664 loans, at December 31, 2020, which varied in amount from \$250 to \$2,000,000 with maturity dates from February 14, 2021 to August 18, 2047 and with interest rates from 0% to 4% with a weighted average rate of 1.58%. The loans from USDA, totaling \$4,850,838, are secured by a pledge of all assets now in the IRP and RMAP Revolving Funds, including cash and investments, notes receivable and the security interest in collateral pledged. Loans from SBA, totaling \$675,529, are secured by a pledge of all assets in the SBA Revolving Fund, including cash and investments, notes receivable and the security interest in collateral pledged. The remainder of the loans are unsecured. The loans payable balances at December 31, 2020 and 2019 were \$32,564,503 and \$30,141,236, respectively.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 12 LOANS PAYABLE (continued)

The following is a summary of loans payable at December 31, 2020 and 2019:

Loans Payable	2020	2019
Total Loans Payable	\$ 32,564,503	\$ 30,141,236
Less: Current Portion	(8,865,323)	(9,233,215)
Non-Current Portion	\$ 23,699,180	\$ 20,908,021

Maturities at December 31, 2020 are as follows:

2021	\$ 8,865,323
2022	3,544,584
2023	5,501,666
2024	3,411,448
2025	3,156,762
Thereafter	8,084,720
	<u>\$ 32,564,503</u>

Per its Bylaws, Vermont Community Loan Fund, Inc. actively seeks out investors and members of the socially responsible investment community to serve as members of its Board of Directors. Consequently, during the course of business, investments may be accepted from individual Board members or from organizations of which current VCLF Board members are significant employees or board directors. There are some loans payable that contain certain financial covenants.

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS

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 December 31:

	2020	2019
Satisfaction of purpose restrictions		
Vermont Early Childhood Advocacy Alliance	\$ 269,168	\$ 234,732
Barre Area Revolving Loan Fund	1,965	27,589
Main Street Alliance	10,000	-
Equipment Access Program	18,007	30,479
Green Mountain Power	53,632	5,000
Seventh Generation	66,450	111,850
Agency of Commerce and Community Development	94,275	-
Let's Grow Kids	160	55,396
Racial Justice Contributions	500	-
Building Bright Futures for Bright Spaces Fund	-	54,000
Total releases from purpose restrictions	<u>\$ 514,157</u>	<u>\$ 519,046</u>

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net Assets with donor restrictions are restricted and summarized as follows as of December 31:

2020			
Program Initiative	Purpose Restricted	Perpetual in Nature	Total
Program Activities:			
Vermont Early Childhood Advocacy Alliance	\$ 269,677	\$ -	\$ 269,677
Racial Justice Programs	388,875	-	388,875
Total Program Activities	658,552	-	658,552
Financing Activities:			
Barre Area Revolving Loan Fund	200,169	-	200,169
Equipment Access Program	96,236	-	96,236
Northern Border Regional Commission	83,250		83,250
Philanthropic Interest Rate Subsidy	101,779		101,779
Vermont Housing Conservation Board for Mobile Home Subsidy Program - VHCB (now restricted to affordable housing)	-	146,907	146,907
USDA-RD Grants (three revolving funds), plus deposit interest	-	431,478	431,478
Economic Development Authority (EDA)	-	963,260	963,260
Total Financing Activities	481,434	1,541,645	2,023,079
Pass-Through:			
Green Mountain Power (GMP)	238,732	-	238,732
Total net assets with donor restrictions	<u>\$ 1,378,718</u>	<u>\$ 1,541,645</u>	<u>\$ 2,920,363</u>

2019			
Program Initiative	Purpose Restricted	Perpetual in Nature	Total
Program Activities:			
Vermont Early Childhood Advocacy Alliance	\$ 234,540	\$ -	\$ 234,540
Financing Activities:			
Barre Area Revolving Loan Fund	202,134	-	202,134
Equipment Access Program	107,057	-	107,057
Northern Border Regional Commission	83,250		83,250
Vermont Housing Conservation Board for Mobile Home Subsidy Program - VHCB (now restricted to affordable housing)	-	146,907	146,907
USDA-RD Grants (three revolving funds), plus deposit interest	-	431,051	431,051
Economic Development Authority (EDA)	-	958,623	958,623
Total Financing Activities	392,441	1,536,581	1,929,022
Pass-Through:			
Green Mountain Power (GMP)	291,551	-	291,551
Let's Grow Kids Fund	160	-	160
Main Street Alliance Fund	10,000	-	10,000
Total Pass-Through	301,711	-	301,711
Total net assets with donor restrictions	<u>\$ 928,692</u>	<u>\$ 1,536,581</u>	<u>\$ 2,465,273</u>

NOTE 14 PROGRAM IMPACT ON NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

VERMONT EARLY CHILDHOOD ADVOCACY ALLIANCE EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

The Fund entered into a fiscal sponsor relationship with the Vermont Early Childhood Alliance on November 22, 2013.

The Vermont Early Childhood Advocacy Alliance (VECAA) is an unincorporated coalition of individuals, organizations, businesses and agencies dedicated to supporting Vermont's children during their early years. The Alliance is committed to improving the early childhood experience in the areas of education/learning, safety, health, nutrition and economic security.

A fiscal sponsor describes a relationship in which an unincorporated group wishing to conduct charitable activities affiliates with an existing 501(c)(3) nonprofit with a compatible mission. The parent sponsor accepts the group as one of its programs, provides organizational support (accounting, HR, back-office, etc.). The fiscal sponsor is able to provide this support only to groups whose activities further the sponsor's mission and tax-exempt purpose. At a minimum the fiscal sponsor must:

- Retain control and discretion as to the use of any funds.
- Maintain records establishing that the funds were used for section 501(c)(3) purposes.
- Limit distributions to specific projects that are in furtherance of their own exempt purpose.

A 501(c)(3) organization acting as a fiscal sponsor that fails to conform to these requirements jeopardizes their own exempt status.

In preparation for beginning this relationship, the Fund revised and updated its charitable and tax-exempt purpose filing with the Vermont Secretary of State's office and filed Form 5768 with the IRS.

The original sponsorship agreement ran December 1, 2013 through November 30, 2014. Additional funds were received to close out December 2014. In subsequent years, the agreement has renewed, including 2018 and 2019. The VECA activities will be funded by grants and donations from interested foundations, agencies, corporations and individuals.

As of December 31, 2020 donor restricted net assets in the VECAA Fund were \$269,677 and \$234,540 at December 31, 2019.

RACIAL JUSTICE PROGRAM EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2020, the Fund received several philanthropic donations totaling \$389,375 towards the Fund's initiatives surrounding racial justice. The goal of the racial justice program is to provide education internally as well as creating a Racial Justice Fund for lending. As a part of this work, a Business Navigator, will be hired in 2021 to help coordinate partnerships in Chittenden County increase the Fund's work with communities of color.

As of December 31, 2020 donor restricted net assets in the Racial Justice program totaled \$388,875.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 14 PROGRAM IMPACT ON NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS
(continued)

BARRE AREA REVOLVING LOAN FUND EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

The Fund received a capital grant from the Barre Area Revolving Loan Fund (BRLF) in 2015 to provide loans to businesses in the Town and City of Barre, VT. This revolving loan fund was capitalized with \$257,245 received in cash. VCLF charged 8% of deposited funds to establish a segregated loan fund to manage the BRLF. Annually, VCLF will charge 1% asset management fee to fund operations of the BRLF. VCLF will retain the interest from loans and cash on deposit.

As of December 31, 2020, the donor restricted net assets were \$200,169 and \$202,134 at December 31, 2019.

NORTHERN BORDERS REGIONAL COMMISSION EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2019, The Fund received a \$250,000 capital grant from the Northern Borders Regional Commission (NBRC) to provide loans to small business owners and entrepreneurs at work in Vermont's working lands, forestry, and outdoor recreation sectors. The Fund will provide matching funds in the revolving fund using other sources of capital.

As of December 31, 2020 and December 31, 2019, the donor restricted net assets were \$83,250, respectively.

PHILANTHROPIC INTEREST RATE SUBSIDY EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2020, the Fund received \$101,779 in philanthropic donations intended to subsidize interest rates for various lending programs, including a replenishment of interest subsidy related to the SPROUT program as well as funding towards the Racial Justice Fund that is being created in 2021.

As of December 31, 2020, the donor restricted net assets were \$101,779.

GMP FUNDS EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2004, the Fund established the Green Mountain Power Renewable Development Fund (RDF). In 2008, the Fund established the Green Mountain Power Combined Heat and Power Fund (CHP). In 2015, the Funds of the CHP Fund were consolidated with the RDF Fund. In 2016 and prior years, both funds have received grants which increased the net assets in the Fund. Net assets in the funds will decrease in subsequent years as the Fund sub-grants the capital to eligible renewable energy projects.

Donor restricted net assets for the RDF and CHP as of December 31, 2020 and 2019 are \$238,732 and \$291,551 respectively.

NOTE 14 PROGRAM IMPACT ON NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS
(continued)

ECONOMIC DEVELOPMENT AUTHORITY EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

The Fund received a capital grant from the Economic Development Authority (EDA) in 2014 to provide loans to businesses in the six northern most counties of Vermont – Caledonia, Essex, Franklin, Grand Isle, Lamoille and Orleans. This revolving loan fund was capitalized with \$526,007 received in cash and \$180,393 in loans from the former holder of the grant. In addition, VCLF was required to contribute \$231,500 in equity which is indicated on the Statement of Activities as a Net Asset Transfer from Unrestricted to Permanently Restricted Net Assets. The Net Asset Transfer was comprised of three performing loans with cumulative balances of \$230,337 and \$1,163 in cash.

As of December 31, 2020, the donor restricted net assets in the EDA were \$963,260 and \$958,623 at December 31, 2019.

SEVENTH GENERATION FOUNDATION EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2019 and 2020, the Vermont Community Loan Fund acted as a fiscal sponsor for the Seventh Generation Foundation (Seventh Generation) for the purpose of allowing form-provide early care and learning programs to benefit from the Toxin Free Kids Grant Program. The purpose of the grant is to provide grant monies that support early childhood programs in creating healthy environments. The grant award in 2020 was \$66,000 together with a \$5,000 donation to the Fund to cover reimbursement of expenses.

As of December 31, 2020 and 2019 the donor restricted net assets were \$0, respectively.

LET'S GROW KID'S EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2019, The Fund acted as a fiscal agent for the Let's Grow Kid's (LGK) to provide funding through its Starting Points Network Support Grants. The general purpose of the grants is to increase Starting Points Network participation, leadership as well a professional development, and provide community and family outreach. The grant award in 2019 was \$59,426. Of this award, \$54,214 was distributed to grantees and \$5,193 was retained by the Fund per the grant authorization to cover reimbursement of expenses. This grant was completed and closed in 2020.

As of December 31, 2020 and 2019 the donor restricted net assets were \$0 and \$160, respectively.

MAIN STREET ALLIANCE EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2019, The Fund acted as a fiscal agent for the Main Street Alliance to house funds until a new fiscal agent is determined. The general purpose of the grant is to be used for employing lobbying and communications support for the 2020 legislative session. The grant award in 2019 was \$10,000 and was transitioned the new fiscal sponsor in 2020.

As of December 31, 2020 and 2019 the donor restricted net assets were \$0 and \$10,000, respectively.

NOTE 14 PROGRAM IMPACT ON NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS
(continued)

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (ACCD) EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2020, the ACCD awarded the Fund a grant dedicated to provide emergency economic recovery for women and minority owned businesses. Under the grant, the Fund worked with partners or sub-recipients to market the Emergency Economic Recovery Grant Program, assist applicants and arrange for translation services of the application and ACCD on-line grant portal. In addition, partners provided technical assistance to applicants. The total grant award was \$119,435 and was completed in 2020.

As of December 31, 2020, the donor restricted net assets were \$0.

NEXT GENERATION FUND EFFECT ON NET ASSETS WITHOUT DONOR RESTRICTIONS

The Next Generation Fund (NGF) was created by the Vermont Community Loan Fund late in 2013 in order to create a self-sustaining pool of loan capital to support its child care programs. The Fund is intended to provide technical assistance and lower cost loans to early care and learning borrowers, through low interest rate bearing investments, permanent capital grants and capacity building grants. VCLF contributed \$250,000 unrestricted equity to the NGF. As of December 31, 2020 the Fund has seventeen (17) investors, including the Office of the Treasurer State of Vermont, totaling approximately \$1.2 million with approximately \$703,000 in loans receivable to six (6) borrowers.

As of December 31, 2020, the unrestricted net assets in the NGF were \$222,013 and \$224,795 at December 31, 2019.

FOOD, FARMS & FOREST FUND EFFECT ON NET ASSETS WITHOUT DONOR RESTRICTIONS

The Food, Farms & Forest Fund (FFF) was created by the Vermont Community Loan Fund in late 2015 in order to create a self-sustaining pool of loan capital to support its food, farm, and forest programs. The Fund is intended to provide technical assistance and lower cost loans to food, farm, and forest borrowers, through low interest rate bearing investments, permanent capital grants and capacity building grants. As of December 31, 2020 the FFF had forty-one (41) investors totaling approximately \$1.4 million in loans payable and has approximately \$743,000 in loans receivable to twenty-one (21) borrowers.

As of December 31, 2020, the unrestricted net deficits in the FFF were \$(29,733) and \$(24,557) December 31, 2019.

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 15 BORROWER DEPOSITS

In 2020, The Fund held a cash balance of \$140,787 and \$140,255 for a borrower deposit as of December 31, 2020 and 2019, respectively. As the source of debt service for this loan is cash flows of the subject property, the deposit is available to cover any shortfalls in debt repayments.

Borrower deposits were as follows at December 31:

	2020	2019
Borrower Deposits	\$ 140,787	\$ 140,255

NOTE 16 403(b) RETIREMENT PLAN

The Vermont Community Loan Fund 403(b) Plan consists of an Elective Employee Deferral, an employer Match of the Participants' Elective Deferral and a Discretionary Employer Contribution. The Elective Employee Deferral allows each Participant to defer the maximum percentage of Compensation or dollar amount permissible under Code §402(g) not to exceed the limits of Code §§403(b), 404, 414(v) and 415. VCLF matches 100% of the Participants' Elective Deferrals up to a maximum of 2.5%. The Discretionary Employer Contribution is allocated as a percentage of compensation of the eligible Participants for the Plan Year. The Discretionary Contribution was 2.5% in 2019 and 2020. Pension expense for the years ended December 31, 2020 and 2019 was \$51,546 and \$47,665, respectively.

NOTE 17 FINANCING COMMITMENTS

The Fund was approved for loans from Community National Bank and People's United Bank in 2009, TD Bank in 2012, the USDA IRP 31 in 2017, as well as and the Bank of America in 2018. Each loan has been renewed at successive maturity since then, if applicable.

At December 31, 2020, the Fund had \$2,075,000 in financing available.

Financing Commitments	Rate	Term (Yrs)	Financing Amount	2020 Outstanding Balance	Available Balance	2019 Outstanding Balance
People's United Bank Line of Credit (LOC)	Variable	1	\$ 500,000	-	\$ 500,000	-
Community National Bank LOC	Variable	2	500,000	-	500,000	-
TD Bank LOC	Variable	1	500,000	-	500,000	-
Bank of America	2.500%	8	2,000,000	2,000,000	-	1,000,000
USDA IRP 31 Loan	1.000%	30	1,000,000	425,000	575,000	250,000
Total			\$ 5,400,000	\$ 2,425,000	\$ 2,075,000	\$ 1,250,000

Vermont Community Loan Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 18 LEASE AGREEMENT

In 2006, the Fund entered into a five (5) year lease agreement with River Street Associates to rent office space. An addendum was signed in July 2011 renewing the lease for an additional five years terminating July 31, 2016. Another addendum was signed in April 2016 renewing the lease for an additional five years terminating July 31, 2021. Rental expense for the year ended December 31, 2020 was \$65,300 and for the year ended 2019 was \$64,200.

Future lease commitments are as follows:

Year	Rent
2021	38,500
2022	-
	<u>\$ 38,500</u>

Effective August 1, 2018 and at each annual renewal thereafter the Fund has the right to terminate the lease with 120 days' notice.

NOTE 19 RISKS AND UNCERTAINTIES

During the past year, a global pandemic was declared regarding COVID-19 Coronavirus. As a result of the spread of the virus, economic uncertainties have arisen which may cause a disruption to business operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

NOTE 20 SUBSEQUENT EVENTS

In accordance with accounting standards, the Fund has evaluated subsequent events through March 16, 2021, which is the date these financial statements were available to be issued. In March 2021, the Fund entered into a ten year office lease agreement commencing on July 1, 2021. All subsequent events requiring recognition as of December 31, 2020, have been incorporated into these basic financial statements herein.

SUPPLEMENTARY INFORMATION

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF FINANCIAL POSITION
December 31, 2020

	Operating Fund	ACCD Fund	7th Generation Fund	Let's Grow Kids Fund	GMP CVPS RDF/CHP Fund	Main Street Alliance Fund	VECAA Fund	Unrestricted Fund	Agri Tourism Fund	Intermediary Relending Program 29 Fund	Intermediary Relending Program 30 Fund	Intermediary Relending Program 31 Fund	SBA Fund
<u>ASSETS</u>													
CURRENT ASSETS													
Cash and Cash Equivalents	\$ 1,031,267	\$ -	\$ -	\$ -	\$ 238,732	\$ -	\$ 282,596	\$ 8,057,618	\$ 247,722	\$ 901,639	\$ 455,424	\$ 374,053	\$ 568,265
Investments - Certificates of Deposit	363,557	-	-	-	-	-	-	1,458,315	-	177,236	-	-	-
Investments	-	-	-	-	-	-	-	1,008,291	-	-	-	-	-
Other Receivables-Current Portion	17,065	-	-	-	-	-	-	-	-	-	-	-	-
Loans Receivable - Current Portion	-	-	-	-	-	-	-	4,067,714	18,043	431,602	125,158	51,833	43,679
Accrued Interest Receivable	81	-	-	-	-	-	-	140,545	303	16,579	2,347	903	1,037
Prepaid Expenses	34,890	-	-	-	-	-	6,511	-	-	-	-	-	-
Due from Other Programs	111,401	-	-	-	-	-	-	-	-	76,910	3,155	2,388	5,618
TOTAL CURRENT ASSETS	1,558,261	-	-	-	238,732	-	289,107	14,732,483	266,068	1,603,966	586,084	429,177	618,599
NON-CURRENT ASSETS													
Investments - Long-Term Portion	-	-	-	-	-	-	-	2,592,028	-	-	-	-	-
Loans Receivable - Long-Term Portion	-	-	-	-	-	-	-	18,040,451	166,737	2,131,609	597,236	247,339	208,427
Reserve for Loan Losses	-	-	-	-	-	-	-	(1,376,199)	(7,420)	(148,607)	(70,956)	(11,967)	(11,184)
Net Property, Plant and Equipment	35,444	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	35,444	-	-	-	-	-	-	19,256,280	159,317	1,983,002	526,280	235,372	197,243
TOTAL ASSETS	\$ 1,593,705	\$ -	\$ -	\$ -	\$ 238,732	\$ -	\$ 289,107	\$ 33,988,763	\$ 425,385	\$ 3,586,968	\$ 1,112,364	\$ 664,549	\$ 815,842
<u>LIABILITIES AND NET ASSETS</u>													
CURRENT LIABILITIES													
Accounts Payable	\$ 16,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	68,842	-	-	-	-	-	8,067	-	-	-	-	-	-
Borrower Deposits	-	-	-	-	-	-	-	140,787	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-	-	192,606	-	14,755	8,808	1,516	3,621
Due to Other Programs	-	-	-	-	-	-	11,108	235,363	521	-	-	-	-
Deferred Revenue - Current Portion	-	-	-	-	-	-	-	29,790	-	-	-	-	-
Loans Payable - Current Portion	-	-	-	-	-	-	-	7,552,418	-	213,443	33,358	-	133,274
TOTAL CURRENT LIABILITIES	85,531	-	-	-	-	-	19,430	8,150,964	521	228,198	42,166	1,516	136,895
NON-CURRENT LIABILITIES													
Deferred Revenue - Long-Term	-	-	-	-	-	-	-	55,796	-	-	-	-	-
Loans Payable - Long-Term	-	-	-	-	-	-	-	16,987,954	-	2,907,193	906,640	425,000	542,255
TOTAL NON-CURRENT LIABILITIES	-	-	-	-	-	-	-	17,043,750	-	2,907,193	906,640	425,000	542,255
TOTAL LIABILITIES	85,531	-	-	-	-	-	19,430	25,194,714	521	3,135,391	948,806	426,516	679,150
NET ASSETS													
Without Donor Restrictions	1,119,299	-	-	-	-	-	-	8,545,363	(6,614)	451,577	163,558	238,033	136,692
With Donor Restrictions	388,875	-	-	-	238,732	-	269,677	248,686	431,478	-	-	-	-
TOTAL NET ASSETS	1,508,174	-	-	-	238,732	-	269,677	8,794,049	424,864	451,577	163,558	238,033	136,692
TOTAL LIABILITIES AND NET ASSETS	\$ 1,593,705	\$ -	\$ -	\$ -	\$ 238,732	\$ -	\$ 289,107	\$ 33,988,763	\$ 425,385	\$ 3,586,968	\$ 1,112,364	\$ 664,549	\$ 815,842

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF FINANCIAL POSITION
December 31, 2020

	RMAP Fund	EDA Fund	Equipment Access Program Fund	Barre Revolving Loan Fund	NBRC Fund	Food, Farms, and Forest Fund	Next Generation Fund	Elimination	Total
<u>ASSETS</u>									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 114,151	\$ 527,836	\$ 97,028	\$ 107,670	\$ 3,394	\$ 663,482	\$ 636,436	\$ -	\$ 14,307,313
Investments - Certificates of Deposit	-	-	-	-	-	-	-	-	1,999,108
Investments	-	-	-	-	-	-	-	-	1,008,291
Other Receivables-Current Portion	-	-	-	-	-	-	-	-	17,065
Loans Receivable - Current Portion	34,289	65,224	-	17,100	13,989	128,781	114,593	-	5,112,005
Accrued Interest Receivable	1,111	2,512	-	310	430	3,854	15,754	-	185,766
Prepaid Expenses	-	-	-	-	-	-	-	-	41,401
Due from Other Programs	44,670	8,548	-	-	-	-	-	(252,690)	-
TOTAL CURRENT ASSETS	194,221	604,120	97,028	125,080	17,813	796,117	766,783	(252,690)	22,670,949
NON-CURRENT ASSETS									
Investments - Long-Term Portion	-	-	-	-	-	-	-	-	2,592,028
Loans Receivable - Long-Term Portion	191,002	359,140	-	75,161	66,759	614,524	588,447	-	23,286,832
Reserve for Loan Losses	(12,547)	(47,966)	-	(3,690)	(3,230)	(29,732)	(27,988)	-	(1,751,486)
Net Property, Plant and Equipment	-	-	-	-	-	-	-	-	35,444
TOTAL NON-CURRENT ASSETS	178,455	311,174	-	71,471	63,529	584,792	560,459	-	24,162,818
TOTAL ASSETS	\$ 372,676	\$ 915,294	\$ 97,028	\$ 196,551	\$ 81,342	\$ 1,380,909	\$ 1,327,242	\$ (252,690)	\$ 46,833,767
<u>LIABILITIES AND NET ASSETS</u>									
CURRENT LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,944
Accrued Liabilities	-	-	-	-	-	-	-	-	76,909
Borrower Deposits	-	-	-	-	-	-	-	-	140,787
Accrued Interest Payable	20	-	-	-	-	11,165	3,431	-	235,922
Due to Other Programs	-	-	792	73	1,322	1,486	2,025	(252,690)	-
Deferred Revenue - Current Portion	-	-	-	-	-	-	-	-	29,790
Loans Payable - Current Portion	20,678	-	-	-	-	300,877	611,275	-	8,865,323
TOTAL CURRENT LIABILITIES	20,698	-	792	73	1,322	313,528	616,731	(252,690)	9,365,675
NON-CURRENT LIABILITIES									
Deferred Revenue - Long-Term	-	-	-	-	-	-	-	-	55,796
Loans Payable - Long-Term	344,526	-	-	-	-	1,097,114	488,498	-	23,699,180
TOTAL NON-CURRENT LIABILITIES	344,526	-	-	-	-	1,097,114	488,498	-	23,754,976
TOTAL LIABILITIES	365,224	-	792	73	1,322	1,410,642	1,105,229	(252,690)	33,120,651
NET ASSETS									
Without Donor Restrictions	7,452	(47,966)	-	(3,691)	(3,230)	(29,733)	222,013	-	10,792,753
With Donor Restrictions	-	963,260	96,236	200,169	83,250	-	-	-	2,920,363
TOTAL NET ASSETS	7,452	915,294	96,236	196,478	80,020	(29,733)	222,013	-	13,713,116
TOTAL LIABILITIES AND NET ASSETS	\$ 372,676	\$ 915,294	\$ 97,028	\$ 196,551	\$ 81,342	\$ 1,380,909	\$ 1,327,242	\$ (252,690)	\$ 46,833,767

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
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COMBINING SCHEDULE OF ACTIVITIES
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	Operating Fund	ACCD Fund	7th Generation Fund	Let's Grow Kids Fund	GMP CVPS RDF/CHP Fund	Main Street Alliance Fund	VECAA Fund	Unrestricted Fund	Agri Tourism Fund	Intermediary Relending Program 29 Fund	Intermediary Relending Program 30 Fund	Intermediary Relending Program 31 Fund	SBA Fund
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS													
Revenue and Support													
Contributions	\$ 192,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	207,872	-	-	-	-	-	-	565,000	-	-	-	-	-
Financing Charges	74,485	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest	-	-	-	-	-	-	-	1,264,984	6,351	163,437	40,122	13,729	26,378
Net Investment Income	4,272	-	-	-	-	-	-	82,795	-	5,096	1,235	1,075	1,312
Other Income	65,072	-	-	-	-	-	-	29,692	-	15,000	-	-	-
Net Assets Released from Restrictions	500	94,275	66,450	160	53,632	10,000	269,168	-	-	-	-	-	-
Total Unrestricted Revenue and Support	544,768	94,275	66,450	160	53,632	10,000	269,168	1,952,471	6,351	183,533	41,357	14,804	27,690
Expenses:													
Program Services	1,114,320	94,275	66,450	160	53,632	10,000	269,168	400,122	2,044	9,436	1,730	9,607	(1,696)
Management and General	397,355	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising	89,033	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	1,600,708	94,275	66,450	160	53,632	10,000	269,168	400,122	2,044	9,436	1,730	9,607	(1,696)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE TRANSFERS	(1,055,940)	-	-	-	-	-	-	1,552,349	4,307	174,097	39,627	5,197	29,386
Transfers	1,194,101	-	-	-	-	-	-	(938,357)	(6,351)	(136,159)	(32,175)	(11,620)	(20,448)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	138,161	-	-	-	-	-	-	613,992	(2,044)	37,938	7,452	(6,423)	8,938
NET ASSETS WITHOUT DONOR RESTRICTIONS- January 1, 2020	981,138	-	-	-	-	-	-	7,931,371	(4,570)	413,639	156,106	244,456	127,754
NET ASSETS WITHOUT DONOR RESTRICTIONS - December 31, 2020	\$ 1,119,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,545,363	\$ (6,614)	\$ 451,577	\$ 163,558	\$ 238,033	\$ 136,692
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS													
Contributions	\$ 389,375	\$ -		\$ -	\$ -	\$ -	\$ 29,305	\$ 101,779	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	94,275	66,450	-	-	-	275,000	-	-	-	-	-	-
Net Investment Income	-	-	-	-	813	-	-	-	427	-	-	-	-
Net Loan Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	(500)	(94,275)	(66,450)	(160)	(53,632)	(10,000)	(269,168)	-	-	-	-	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	388,875	-	-	(160)	(52,819)	(10,000)	35,137	101,779	427	-	-	-	-
NET ASSETS WITH DONOR RESTRICTIONS- January 1, 2020	-	-	-	160	291,551	10,000	234,540	146,907	431,051	-	-	-	-
NET ASSETS WITH DONOR RESTRICTIONS - December 31, 2020	\$ 388,875	\$ -	\$ -	\$ -	\$ 238,732	\$ -	\$ 269,677	\$ 248,686	\$ 431,478	\$ -	\$ -	\$ -	\$ -

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
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COMBINING SCHEDULE OF ACTIVITIES
December 31, 2020

	RMAP Fund	EDA Fund	Equipment Access Program Fund	Barre Revolving Loan Fund	NBRC Fund	Food, Farms, and Forest Fund	Next Generation Fund	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
Revenue and Support								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,567
Grants	-	-	-	-	-	-	-	772,872
Financing Charges	-	-	-	-	-	-	-	74,485
Loan Interest	13,957	22,759	-	5,318	5,313	33,605	38,292	1,634,245
Net Investment Income	402	-	164	264	-	1,360	971	98,946
Other Income	-	-	-	-	-	-	-	109,764
Net Assets Released from Restrictions	-	-	18,007	1,965	-	-	-	514,157
Total Unrestricted Revenue and Support	<u>14,359</u>	<u>22,759</u>	<u>18,171</u>	<u>7,547</u>	<u>5,313</u>	<u>34,965</u>	<u>39,263</u>	<u>3,407,036</u>
Expenses:								
Program Services	5,674	8,427	17,810	1,041	5,228	26,678	19,078	2,113,184
Management and General	-	-	-	-	-	-	-	397,355
Fundraising	-	-	-	-	-	-	-	89,033
Total Expenses	<u>5,674</u>	<u>8,427</u>	<u>17,810</u>	<u>1,041</u>	<u>5,228</u>	<u>26,678</u>	<u>19,078</u>	<u>2,599,572</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE TRANSFERS	8,685	14,332	361	6,506	85	8,287	20,185	807,464
Transfers	<u>(6,816)</u>	<u>-</u>	<u>(164)</u>	<u>(5,581)</u>	<u>-</u>	<u>(13,463)</u>	<u>(22,967)</u>	<u>-</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,869	14,332	197	925	85	(5,176)	(2,782)	807,464
NET ASSETS WITHOUT DONOR RESTRICTIONS- January 1, 2020	<u>5,583</u>	<u>(62,298)</u>	<u>(197)</u>	<u>(4,616)</u>	<u>(3,315)</u>	<u>(24,557)</u>	<u>224,795</u>	<u>9,985,289</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - December 31, 2020	<u>\$ 7,452</u>	<u>\$ (47,966)</u>	<u>\$ -</u>	<u>\$ (3,691)</u>	<u>\$ (3,230)</u>	<u>\$ (29,733)</u>	<u>\$ 222,013</u>	<u>\$ 10,792,753</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 520,459
Grants	-	-	-	-	-	-	-	435,725
Net Investment Income	-	1,400	-	-	-	-	-	2,640
Net Loan Interest Income	-	3,237	-	-	-	-	-	3,237
Lease Revenue	-	-	7,186	-	-	-	-	7,186
Net Assets Released from Restrictions	-	-	(18,007)	(1,965)	-	-	-	(514,157)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	4,637	(10,821)	(1,965)	-	-	-	455,090
NET ASSETS WITH DONOR RESTRICTIONS- January 1, 2020	<u>-</u>	<u>958,623</u>	<u>107,057</u>	<u>202,134</u>	<u>83,250</u>	<u>-</u>	<u>-</u>	<u>2,465,273</u>
NET ASSETS WITH DONOR RESTRICTIONS - December 31, 2020	<u>\$ -</u>	<u>\$ 963,260</u>	<u>\$ 96,236</u>	<u>\$ 200,169</u>	<u>\$ 83,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,920,363</u>