

Vermont Community Loan Fund, Inc.

FINANCIAL STATEMENTS

December 31, 2019

Vermont Community Loan Fund, Inc.  
TABLE OF CONTENTS  
December 31, 2019

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statements of Financial Position	1
Statements of Activities	2
Statement of Functional Expense – 2019	3
Statement of Functional Expense – 2018	4
Statements of Cash Flows	5
Notes to the Financial Statements	6
	<u>Schedule</u>
SUPPLEMENTARY INFORMATION	
Combining Schedule of Financial Position	1
Combining Schedule of Activities	2



**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 statement of financial position as of December 31, 2019 and 2018, 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, 2019, 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.

*Kathell Branagan & Sargent*

St. Albans, Vermont  
February 25, 2020

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

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents - Note 2, 4 and 5	\$ 9,389,513	\$ 7,381,514
Investments - Certificates of Deposit - Note 2, 4 and 5	1,411,850	2,402,527
Investments - Note 3, 4 and 5	1,880,037	1,504,496
Other Receivables - Current Portion - Note 6	13,517	728,291
Loans Receivable - Current Portion - Note 7	5,920,153	7,940,366
Equipment Lease Receivable - Current Portion - Note 9	3,879	12,082
Accrued Interest Receivable	146,993	141,397
Prepaid Expenses	<u>23,372</u>	<u>31,992</u>
TOTAL CURRENT ASSETS	<u>18,789,314</u>	<u>20,142,665</u>
<b>NON-CURRENT ASSETS</b>		
Investments - Long-Term Portion- Note 3, 4 and 5	2,127,014	1,764,258
Loans Receivable - Long-Term Portion - Note 7	24,159,369	21,651,271
Equipment lease Receivable - Long-Term Portion - Note 9	9,715	9,277
Reserve for Loan Losses - Note 8	(1,982,514)	(1,974,364)
Plant and Equipment - (Net of Accumulated Depreciation) - Note 10	<u>50,020</u>	<u>67,606</u>
TOTAL NON-CURRENT ASSETS	<u>24,363,604</u>	<u>21,518,048</u>
TOTAL ASSETS	<u>\$ 43,152,918</u>	<u>\$ 41,660,713</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 18,453	\$ 29,939
Accrued Liabilities	70,003	61,864
Borrower Deposits - Note 15	140,255	-
Accrued Interest Payable	218,929	204,137
Deferred Revenue - Current Portion - Note 11	30,238	28,384
Loans Payable - Current Portion - Note 12	<u>9,233,215</u>	<u>9,938,559</u>
TOTAL CURRENT LIABILITIES	<u>9,711,093</u>	<u>10,262,883</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred Revenue - Long-Term - Note 11	83,242	118,942
Loans Payable - Long-Term - Note 12	<u>20,908,021</u>	<u>18,853,796</u>
TOTAL NON-CURRENT LIABILITIES	<u>20,991,263</u>	<u>18,972,738</u>
TOTAL LIABILITIES	<u>30,702,356</u>	<u>29,235,621</u>
<b>NET ASSETS</b>		
Without Donor Restrictions- Note 14	9,985,289	10,043,578
With Donor Restrictions- Note 13 and 14	<u>2,465,273</u>	<u>2,381,514</u>
TOTAL NET ASSETS	<u>12,450,562</u>	<u>12,425,092</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,152,918</u>	<u>\$ 41,660,713</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,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 130,859	\$ 32,227	\$ 163,086	\$ 564,973	\$ 44,446	\$ 609,419
Grants	143,520	555,656	699,176	1,527,720	319,422	1,847,142
Financing Charges	84,763	-	84,763	97,579	-	97,579
Loan Interest	1,653,392	3,980	1,657,372	1,614,134	3,657	1,617,791
Net Investment Income	147,345	6,865	154,210	92,359	3,308	95,667
Recovery of Bad Debt and Foreclosure Expenses	1,600	-	1,600	389,694	-	389,694
Other Income	58,141	4,077	62,218	51,584	3,984	55,568
Net Assets Released from Restrictions - Note 13	519,046	(519,046)	-	361,946	(361,946)	-
<b>TOTAL REVENUE</b>	<b>2,738,666</b>	<b>83,759</b>	<b>2,822,425</b>	<b>4,699,989</b>	<b>12,871</b>	<b>4,712,860</b>
EXPENSES						
Program Services	2,321,368	-	2,321,368	2,565,520	-	2,565,520
Management and General Fundraising	388,711	-	388,711	377,417	-	377,417
	86,876	-	86,876	86,071	-	86,071
<b>TOTAL EXPENSES</b>	<b>2,796,955</b>	<b>-</b>	<b>2,796,955</b>	<b>3,029,008</b>	<b>-</b>	<b>3,029,008</b>
CHANGES IN NET ASSETS	(58,289)	83,759	25,470	1,670,981	12,871	1,683,852
NET ASSETS - January 1,	10,043,578	2,381,514	12,425,092	8,372,597	2,368,643	10,741,240
NET ASSETS - December 31,	<u>\$ 9,985,289</u>	<u>\$ 2,465,273</u>	<u>\$ 12,450,562</u>	<u>\$ 10,043,578</u>	<u>\$ 2,381,514</u>	<u>\$ 12,425,092</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.  
STATEMENT OF FUNCTIONAL EXPENSES  
For The Year Ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ -	\$ 31,737	\$ -	\$ 31,737
Bank Charges	4,557	1,953	-	6,510
Board and Committee Expense	857	514	343	1,713
Computer Supplies	3,494	932	233	4,658
Consultants	67,275	28,832	-	96,107
Depreciation	17,930	4,781	1,195	23,905
Dues and Publications	5,912	1,577	394	7,883
Foreclosure Expense	63,396	-	-	63,396
Fiscal Sponsor Admin Fees	14,541	-	-	14,541
Grant Administrative Expenses	24,390	-	-	24,390
Insurance	10,558	2,815	704	14,077
Interest Expense	494,202	-	-	494,202
Legal	1,343	4,028	-	5,370
Loan Service Fees	18,160	-	-	18,160
Marketing and Communications	42,545	-	4,727	47,272
Provision for Loan Losses - Note 7	516,813	-	-	516,813
Occupancy Costs	60,482	16,129	4,032	80,644
Office Supplies	5,489	1,464	366	7,318
Outreach	29,791	-	3,310	33,101
Personnel Costs	1,020,868	272,231	68,058	1,361,157
Postage	2,483	1,242	414	4,139
Repairs and Maintenance	1,384	369	92	1,845
Staff Enrichment	1,972	526	132	2,630
Telephone	9,952	2,654	663	13,269
Training	3,170	845	211	4,225
Transportation	14,507	3,869	967	19,343
Travel	3,445	919	230	4,593
Pass Through Grant Expense	126,004	-	-	126,004
	<u>126,004</u>	<u>-</u>	<u>-</u>	<u>126,004</u>
<b>TOTAL</b>	<u>\$ 2,565,520</u>	<u>\$ 377,417</u>	<u>\$ 86,071</u>	<u>\$ 3,029,008</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>2019</u>	<u>2018</u>
INCREASE/(DECREASE) IN CASH		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 25,470	\$ 1,683,852
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation Expense	35,602	23,905
Loans Receivable Charged Off	143,053	348,209
Equipment Lease Receivable Charged Off	7,515	-
Change in Provision for Loan Losses	8,150	168,604
(Increase)/Decrease in:		
Prepaid Expenses	8,620	(7,615)
Other Receivable	714,774	(704,182)
Increase/(Decrease) in:		
Accounts Payable	(11,486)	12,792
Accrued Liabilities	8,139	9,665
Borrower Deposits	140,255	-
Deferred revenue	(33,846)	52,936
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,046,246</u>	<u>1,588,166</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease/(Increase) in Investments - Certificates of Deposits	990,677	122,484
Decrease/(Increase) in Investments	(738,297)	(3,268,754)
(Purchase) or Sale of Leasehold Improvements and Equipment	(18,015)	(34,333)
Principal Advances on Loans Receivable	(8,603,543)	(4,646,520)
Principal Payments on Loans Receivable	7,972,604	4,966,405
Principal Advances on Equipment Lease Receivable	(17,723)	-
Principal Payments on Equipment Lease Receivable	17,973	9,220
Decrease/(Increase) in Accrued Interest Receivable	(5,596)	(15,646)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(401,920)</u>	<u>(2,867,144)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Accrued Interest Payable	14,792	21,198
Proceeds from additional Loans Payable	4,697,582	2,205,623
Principal Payments to Loans Payable	(3,348,701)	(1,574,887)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>1,363,673</u>	<u>651,934</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>2,007,999</b>	<b>(627,044)</b>
CASH - January 1,	<u>7,381,514</u>	<u>8,008,558</u>
CASH - December 31,	<u>\$ 9,389,513</u>	<u>\$ 7,381,514</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid to investors	<u>\$ 483,642</u>	<u>\$ 472,506</u>

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

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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, 2019

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, 2019

NOTE 2 CASH AND CERTIFICATES OF DEPOSIT

Cash and certificates of deposit as of December 31, 2019 and 2018 totaled \$10,801,363 and \$9,784,041, respectively.

<i>Cash and Certificates of Deposit</i>	<i>2019</i>	<i>2018</i>
Insured/(FDIC/NCUA)	\$ 1,049,605	\$ 1,158,019
Collateralized - Treasury	2,539,553	2,319,331
Collateralized - Pool	5,420,709	4,647,937
Uninsured/Uncollateralized	1,791,496	1,658,754
Total	\$ 10,801,363	\$ 9,784,041

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 \$3,173,058 and \$2,943,930 at December 31, 2019 and 2018, respectively.

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

<i>Cash and Certificates of Deposit</i>	<i>2019</i>	<i>2018</i>
Cash and Cash Equivalents	\$ 9,389,513	\$ 7,381,514
Investments- Certificates of Deposit	1,411,850	2,402,527
Total	\$ 10,801,363	\$ 9,784,041

NOTE 3 INVESTMENTS

At December 31, 2019 and 2018, the Fund had \$4,007,051 and \$3,268,754 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 inputs consist of unadjusted quotes prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority.

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 3 INVESTMENTS (continued)

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 1 Fair Value Measurements

The fair value of U.S. government agency obligations is valued at the daily closing price as reported by the fund.

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

<i>Investments</i>	<i>2019</i>	<i>2018</i>
Investments- U.S. Government Agency Obligations	\$ 4,007,051	\$ 3,268,754
Less: Current Portion	1,880,037	1,504,496
Non-Current Portion	\$ 2,127,014	\$ 1,764,258

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, 2019.

Cash and cash equivalents	\$	9,389,513
Investments - Certificates of Deposit		1,411,850
Investments		1,880,037
Other receivables		13,517
Loans receivable - current portion		5,920,153
Equipment lease receivable - current portion		3,879
Accrued interest receivable		146,993
		\$ 18,765,942
Less:		
Pass-through cash and cash equivalents:		(564,758)
Investor liquidity reserves		(2,411,299)
		\$ 15,789,885

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.

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 4 LIQUIDITY (continued)

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, 2019, none of these lines have outstanding balances.

NOTE 5 CASH AND INVESTMENT RESERVES

At December 31, 2019 and 2018, the Fund had cash and investments of \$14,808,414 and \$13,052,795, 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>	<i>2019</i>	<i>2018</i>
Cash Reserved for GMP & GMPCHP	\$ 291,554	\$ 294,375
Cash Reserved for VECAA	263,028	216,519
Cash Reserved for Main Street Alliance	10,000	-
Cash Reserved for Let's Grow Kids	179	-
Cash Reserved for Loan Commitments & Undisbursed		
Closed Loans	1,602,589	5,183,305
Cash Reserved for Loan Loss & Investor Liquidity	4,393,813	4,459,004
Available Cash - Undesignated (Operating)	917,801	826,367
Available Cash - for Lending	7,329,450	2,073,225
<b>Total Cash</b>	<b>\$ 14,808,414</b>	<b>\$ 13,052,795</b>

At December 31, 2019, the Available Cash – for Lending excludes various lines of credits and financing commitments as more fully described in Note 17. Financing Commitments.

NOTE 6 OTHER RECEIVABLES

At December 31, 2019 and 2018, the Fund had other receivables of \$13,517 and \$728,291 respectively. Other receivables are comprised of grants which will be received in 2020.

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 6 OTHER RECEIVABLES (continued)

<i>Other Receivables</i>	<i>2019</i>	<i>2018</i>
CDFI Grant	\$ -	\$ 700,000
USDA (RMAP) Technical Assistance Grant	3,111	2,777
SBA Technical Assistance Grant	10,406	25,514
Total	\$ 13,517	\$ 728,291

NOTE 7 LOANS RECEIVABLE

At December 31, 2019 and 2018, there were 231 and 223 loans receivable, respectively. The loan balances at December 31, 2019 vary in amount from \$629 to \$2,182,318 with maturity dates ranging from February 1, 2020 to December 1, 2041 and with interest rates from 0% to 11.25% with a weighted average rate of 5.61%. Security interests vary from loan guarantees and senior and junior mortgages to personal and business property.

Total loans receivable at December 31, 2019 and 2018 were \$30,079,522 and \$29,591,637, respectively.

<i>Loans Receivable</i>	<i>2019</i>	<i>2018</i>
Loans Current, Per Terms of Loan	\$ 28,834,461	\$ 28,291,280
Loans Delinquent, 31-90 Days	331,389	418,622
Non-Performing Loans	913,672	881,735
Total	30,079,522	29,591,637
Less: Current Portion	(5,920,153)	(7,940,366)
Non-Current Portion	\$ 24,159,369	\$ 21,651,271

Maturities of Loans Receivable at December 31, 2019 are as follows:

2020	\$ 5,920,153
2021	2,870,655
2022	4,379,852
2023	4,662,174
2024	4,955,119
Thereafter	<u>7,291,569</u>
Total	<u>\$ 30,079,522</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, 2019 and 2018 the guaranteed principal balance was \$553,063 and \$412,537, respectively. The total outstanding balances for these loans as of December 31, 2019 and 2018 were \$704,527 and \$516,332, respectively.

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE 7 LOANS RECEIVABLE (continued)

At December 31, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, there were nineteen (19) and twenty-one (21) outstanding loan commitments and loans not fully disbursed totaling \$1,602,589 and \$5,183,305, respectively.

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, 2019 and 2018 are \$1,982,514 and \$1,974,364, respectively.



Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE 8 LOAN LOSS RESERVE (continued)

Changes in the loan loss reserve for the year ended December 31, 2019 were as follows:

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

Changes in the loan loss reserve for the year ended December 31, 2018 were as follows:

2018	Housing	Community Facilities	Business	Early Care & Learning	Total
Balance Dec 31, 2017	\$ 572,225	\$ 278,966	\$ 654,017	\$ 300,552	\$ 1,805,760
Provision for Loan Losses	250,776	27,404	(162,671)	11,610	127,119
Recoveries of amounts charged off	-	-	206,783	182,911	389,694
	823,001	306,370	698,129	495,073	2,322,573
Amounts Charged off	(284,605)	-	(24,384)	(39,220)	(348,209)
Balance Dec 31, 2018	\$ 538,396	\$ 306,370	\$ 673,745	\$ 455,853	\$ 1,974,364

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:

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

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 8      LOAN LOSS RESERVE (continued)

2018 Risk	Housing	Community Facilities	Business	Early Care & Learning	Total
Low	\$ 820,336	\$ 123,191	\$ -	\$ -	\$ 943,527
Moderate	3,941,292	1,003,414	182,326	238,033	5,365,065
Average	4,878,021	533,522	4,200,792	1,967,589	11,579,924
Substantial	2,339,984	5,041,674	1,568,372	381,231	9,331,261
High	519,998	109,332	685,104	663,770	1,978,204
Workout	193,028	-	-	200,628	393,656
Total	\$ 12,692,659	\$ 6,811,133	\$ 6,636,594	\$ 3,451,251	\$ 29,591,637

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).

**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

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 8 LOAN LOSS RESERVE (continued)

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:

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
Early Care & Learning	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

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE 8 LOAN LOSS RESERVE (continued)

2018	Recorded Investment	Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Housing	\$ 12,692,659	\$ 12,692,659	\$ 538,396	\$ 13,116,922	\$ 685,887
Community Facilities	6,811,133	6,811,133	306,370	6,570,356	346,571
Business	6,636,594	6,636,594	709,745	6,822,150	398,178
Child Care	3,451,251	3,451,251	455,853	3,426,936	187,155
Total	\$ 29,591,637	\$ 29,591,637	\$ 2,010,364	\$ 29,936,364	\$ 1,617,791

For the years ended December 31, 2019 and 2018, \$1,657,372 and \$1,617,791 was recognized as interest income from the above loans.

As of December 31, 2019 and 2018, 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 December 31, 2019 and 2018, there were five (5) and six (6) equipment leases, respectively. Total equipment leases receivable at December 31, 2019 and 2018 were \$13,594 and \$21,359, respectively.

<i>Equipment Leases Receivable</i>	2019	2018
Loans Current, Per Terms of Loan	\$ 13,594	\$ 21,359
Loans Delinquent, 31-90 Days	-	-
Non-Performing Loans	-	-
Total	13,594	21,359
Less: Current Portion	(3,879)	(12,082)
Non-Current Portion	\$ 9,715	\$ 9,277

NOTE 10 PLANT AND EQUIPMENT

The following is a summary of net plant and equipment at December 31, 2019 and 2018:

Fixed Assets	Gross Fixed Assets 12/31/19	Accumulated Depreciation 12/31/19	Net Book Value 12/31/19	Gross Fixed Assets 12/31/18	Accumulated Depreciation 12/31/18	Net Book Value 12/31/18
Furniture, Fixtures and Equipment	\$ 176,031	\$ 126,726	\$ 49,305	\$ 162,232	\$ 95,771	\$ 66,462
Leasehold Improvements	16,109	15,394	715	16,109	14,965	1,145
Total	\$ 192,140	\$ 142,120	\$ 50,020	\$ 178,341	\$ 110,735	\$ 67,606

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 11 DEFERRED REVENUE

At December 31, 2019 and 2018, deferred revenue was \$113,480 and \$147,326, 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, 2019 and 2018, there were 18 and 10 borrowers were participating in the Sprout program, respectively.

In 2018, Vermont Birth to Five (VB5) provided funding for the Fund's Business Resource Center to provide support and technical assistance to early care and learning providers that are applying for and implementing VB5's Make Way for Kids grants in 2018 and 2019.

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 deferred revenue are funds that were unused at the end of 2019 and will be returned to LGK in 2020.

Deferred revenue consists of remaining WLEB expected to be earned in subsequent years and LGK unused funds to be returned in 2020.

Deferred Revenue	2019	2018
WLEB	\$ 113,461	\$ 139,790
VB5	-	7,536
Let's Grow Kids	19	-
Total Deferred Revenue	\$ 113,480	\$ 147,326
Less: Current Portion	(30,238)	(28,384)
Non-Current Portion	\$ 83,242	\$ 118,942

NOTE 12 LOANS PAYABLE

At December 31, 2019 and 2018, there were various loans payable. There were 607 loans, at December 31, 2019, which varied in amount from \$250 to \$1,500,000 with maturity dates from January 15, 2020 to August 18, 2047 and with interest rates from 0% to 4.25% with a weighted average rate of 1.61%. The loans from USDA, totaling \$4,940,127, 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 \$807,929, 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, 2019 and 2018 were \$30,141,236 and \$28,792,355, respectively.

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 12 LOANS PAYABLE (continued)

The following is a summary of loans payable at December 31, 2019 and 2018:

Loans Payable	2019	2018
Total Loans Payable	\$ 30,141,236	\$ 28,792,355
Less: Current Portion	(9,233,215)	(9,938,559)
Non-Current Portion	\$ 20,908,021	\$ 18,853,796

Maturities at December 31, 2019 are as follows:

2020	\$ 9,233,215
2021	3,770,077
2022	2,662,789
2023	3,897,639
2024	3,329,447
Thereafter	<u>7,248,069</u>
	<u>\$ 30,141,236</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:

	<u>2019</u>	<u>2018</u>
<b>Satisfaction of purpose restrictions</b>		
Vermont Early Childhood Advocacy Alliance	\$ 234,732	\$ 232,425
Barre Area Revolving Loan Fund	27,589	2,016
Equipment Access Program	30,479	1,328
Green Mountain Power	5,000	13,255
Seventh Generation	111,850	58,922
Let's Grow Kids	55,396	-
Building Bright Futures for Bright Spaces Fund	54,000	54,000
Total releases from purpose restrictions	<u>\$ 519,046</u>	<u>\$ 361,946</u>

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (continued)

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

Program Initiative	2019		
	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	<u>392,441</u>	<u>1,536,581</u>	<u>1,929,022</u>
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	<u>301,711</u>	<u>-</u>	<u>301,711</u>
Total net assets with donor restrictions	<u>\$ 928,692</u>	<u>\$ 1,536,581</u>	<u>\$ 2,465,273</u>
Program Initiative	2018		
	Purpose Restricted	Perpetual in Nature	Total
Program Activities:			
Vermont Early Childhood Advocacy Alliance	\$ 195,745	\$ -	\$ 195,745
Financing Activities:			
Barre Area Revolving Loan Fund	229,723	-	229,723
Equipment Access Program	133,759	-	133,759
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	-	430,422	430,422
Economic Development Authority (EDA)	-	950,586	950,586
Total Financing Activities	<u>363,482</u>	<u>1,527,915</u>	<u>1,891,397</u>
Pass-Through:			
Green Mountain Power (GMP)	294,372	-	294,372
Total Pass-Through	<u>294,372</u>	<u>-</u>	<u>294,372</u>
Total net assets with donor restrictions	<u>\$ 853,599</u>	<u>\$ 1,527,915</u>	<u>\$ 2,381,514</u>

NOTE 14 PROGRAM IMPACT ON NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS  
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, 2019 and 2018 are \$291,551 and \$294,372 respectively.

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

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, 2019 donor restricted net assets in the VECAA Fund were \$234,540 and \$195,745 at December 31, 2018.

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.



Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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, 2019, the donor restricted net assets in the EDA were \$958,623 and \$950,586 at December 31, 2018.

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, 2019, the donor restricted net assets were \$202,134 and \$229,723 at December 31, 2018.

NORTHERN BORDERS REGIONAL COMMISSION

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, 2019, the donor restricted net assets were \$83,250 and \$0 at December 31, 2018.

BUILDING BRIGHT SPACES FOR BRIGHT FUTURES EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

For several years, the Fund has administered the Building Bright Spaces for Bright Futures Facility grant program funded by the State of Vermont, Department for Children and Families, Child Development Division. The purpose of the grant is to provide grant monies to improve or expand child care facilities. The grant award in 2019 was \$60,000. Of this award, \$54,000 was distributed to grantees and \$6,000 was retained by the Fund per the grant authorization to cover reimbursement of expenses.

As of December 31, 2019 and 2018 the donor restricted net assets were \$0, respectively.

SEVENTH GENERATION FOUNDATION EFFECT ON NET ASSETS WITH DONOR RESTRICTIONS

In 2018 and 2019, 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 2019 was \$111,850 together with a \$5,000 donation to the Fund to cover reimbursement of expenses.

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

As of December 31, 2019 and 2018 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 as 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

As of December 31, 2019 and 2018 the donor restricted net assets were \$160 and \$0, 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 is expected to be transitioned to the new fiscal sponsor in 2020.

As of December 31, 2019 and 2018 the donor restricted net assets were \$10,000 and \$0, respectively.

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, 2019 the Fund has ten (10) investors, including the Office of the Treasurer State of Vermont, totaling approximately \$921,000 with approximately \$634,000 in loans receivable to three (3) borrowers.

As of December 31, 2019, the unrestricted net assets in the NGF were \$224,795 and \$224,002 at December 31, 2018.

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, 2019 the FFF had 18 investors totaling approximately \$655,000 in loans payable and has approximately \$576,000 in loans receivable to ten (10) borrowers.

Vermont Community Loan Fund, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

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

As of December 31, 2019, the unrestricted net deficits in the FFF were \$(24,557) and \$(22,743) December 31, 2018.

NOTE 15 BORROWER DEPOSITS

In 2019, The Fund held a cash balance of \$140,255 and \$0 for a borrower deposit as of December 31, 2019 and 2018, 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:

	2019	2018
Borrower Deposits	\$ 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 2018 and 2019. Pension expense for the years ended December 31, 2019 and 2018 was \$47,665 and \$50,661, 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 RMAP in 2016, the USDA IRP 31 in 2017, as well as The Small Business Administration (SBA) and the Bank of America in 2018. Each loan has been renewed at successive maturity since then, if applicable.

At December 31, 2019, the Fund had \$3,250,000 in financing available.

Financing Commitments	Rate	Term (Yrs)	Financing Amount	2019 Outstanding Balance	Available Balance	2018 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	1,000,000	1,000,000	500,000
SBA	0.625%	10	500,000	-	-	200,000
USDA RMAP	2.000%	20	400,000	-	-	300,000
USDA IRP 31 Loan	1.000%	30	1,000,000	250,000	750,000	250,000
Total			\$ 5,400,000	\$ 1,250,000	\$ 3,250,000	\$ 1,250,000

Vermont Community Loan Fund, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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, 2019 was \$64,200 and for the year ended 2018 was \$62,900.

Future lease commitments are as follows:

<b>Year</b>	<b>Rent</b>
2020	65,300
2021	38,500
2022	-
	\$ 103,800

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 SUBSEQUENT EVENTS

In accordance with accounting standards, the Fund has evaluated subsequent events through February 25, 2020, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2019, 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, 2019

Schedule 1

<u>ASSETS</u>	Operating Fund	Building Bright Futures 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
<b>CURRENT ASSETS</b>												
Cash and Cash Equivalents	\$ 548,417	\$ -	\$ -	\$ 179	\$ 291,551	\$ 10,000	\$ 263,028	\$ 3,880,371	\$ 288,489	\$ 796,254	\$ 459,802	\$ 361,433
Investments - Certificates of Deposit	359,206	-	-	-	-	-	-	877,941	-	174,703	-	-
Investments	-	-	-	-	-	-	-	1,880,037	-	-	-	-
Other Receivables-Current Portion	13,517	-	-	-	-	-	-	-	-	-	-	-
Loans Receivable - Current Portion	-	-	-	-	-	-	-	4,664,064	12,533	565,559	143,793	26,545
Equipment Lease - Current Portion	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Receivable	183	-	-	-	-	-	-	108,204	334	15,936	2,858	399
Prepaid Expenses	20,591	-	-	-	-	-	2,781	-	-	-	-	-
Due from Other Programs	68,418	-	-	-	-	-	-	-	-	1,179	3,163	498
<b>TOTAL CURRENT ASSETS</b>	<b>1,010,332</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>291,551</b>	<b>10,000</b>	<b>265,809</b>	<b>11,410,617</b>	<b>301,356</b>	<b>1,553,631</b>	<b>609,616</b>	<b>388,875</b>
<b>NON-CURRENT ASSETS</b>												
Investments - Long-Term Portion	-	-	-	-	-	-	-	2,127,014	-	-	-	-
Loans Receivable - Long-Term Portion	-	-	-	-	-	-	-	18,749,452	130,889	2,387,311	606,971	112,050
Equipment Lease - Long-Term Portion	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Loan Losses	-	-	-	-	-	-	-	(1,559,450)	(5,376)	(179,649)	(78,407)	(5,544)
Net Property, Plant and Equipment	50,020	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>50,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,317,016</b>	<b>125,513</b>	<b>2,207,662</b>	<b>528,564</b>	<b>106,506</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,060,352</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 179</b>	<b>\$ 291,551</b>	<b>\$ 10,000</b>	<b>\$ 265,809</b>	<b>\$ 30,727,633</b>	<b>\$ 426,869</b>	<b>\$ 3,761,293</b>	<b>\$ 1,138,180</b>	<b>\$ 495,381</b>
<b>LIABILITIES AND NET ASSETS</b>												
<b>CURRENT LIABILITIES</b>												
Accounts Payable	\$ 17,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 604	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	61,365	-	-	-	-	-	8,638	-	-	-	-	-
Borrower Deposits	-	-	-	-	-	-	-	140,255	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-	-	177,057	-	15,721	9,353	925
Due to Other Programs	-	-	-	-	-	-	22,027	52,500	388	-	-	-
Deferred Revenue - Current Portion	-	-	-	19	-	-	-	30,219	-	-	-	-
Loans Payable - Current Portion	-	-	-	-	-	-	-	7,905,546	-	211,333	32,804	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>79,214</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>31,269</b>	<b>8,305,577</b>	<b>388</b>	<b>227,054</b>	<b>42,157</b>	<b>925</b>
<b>NON-CURRENT LIABILITIES</b>												
Deferred Revenue - Long-Term	-	-	-	-	-	-	-	83,242	-	-	-	-
Loans Payable - Long-Term	-	-	-	-	-	-	-	14,260,536	-	3,120,600	939,917	250,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,343,778</b>	<b>-</b>	<b>3,120,600</b>	<b>939,917</b>	<b>250,000</b>
<b>TOTAL LIABILITIES</b>	<b>79,214</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>31,269</b>	<b>22,649,355</b>	<b>388</b>	<b>3,347,654</b>	<b>982,074</b>	<b>250,925</b>
<b>NET ASSETS</b>												
Without Donor Restrictions	981,138	-	-	-	-	-	-	7,931,371	(4,570)	413,639	156,106	244,456
With Donor Restrictions	-	-	-	160	291,551	10,000	234,540	146,907	431,051	-	-	-
<b>TOTAL NET ASSETS</b>	<b>981,138</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>291,551</b>	<b>10,000</b>	<b>234,540</b>	<b>8,078,278</b>	<b>426,481</b>	<b>413,639</b>	<b>156,106</b>	<b>244,456</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,060,352</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 179</b>	<b>\$ 291,551</b>	<b>\$ 10,000</b>	<b>\$ 265,809</b>	<b>\$ 30,727,633</b>	<b>\$ 426,869</b>	<b>\$ 3,761,293</b>	<b>\$ 1,138,180</b>	<b>\$ 495,381</b>

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES  
 SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF FINANCIAL POSITION  
 December 31, 2019

Schedule 1

<u>ASSETS</u>	SBA Fund	RMAP Fund	EDA Fund	Equipment Access Program Fund	Barre Revolving Loan Fund	NBRC Fund	Food, Farms, and Forest Fund	Next Generation Fund	Elimination	Total
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	\$ 461,086	\$ 151,603	\$ 468,559	\$ 93,565	\$ 86,604	\$ 398	\$ 699,999	\$ 528,175	\$ -	\$ 9,389,513
Investments - Certificates of Deposit	-	-	-	-	-	-	-	-	-	1,411,850
Investments	-	-	-	-	-	-	-	-	-	1,880,037
Other Receivables-Current Portion	-	-	-	-	-	-	-	-	-	13,517
Loans Receivable - Current Portion	92,892	49,392	94,070	-	16,396	15,874	117,583	121,452	-	5,920,153
Equipment Lease - Current Portion	-	-	-	3,879	-	-	-	-	-	3,879
Accrued Interest Receivable	669	549	1,494	-	360	428	1,491	14,088	-	146,993
Prepaid Expenses	-	-	-	-	-	-	-	-	-	23,372
Due from Other Programs	12,473	-	-	-	-	-	-	-	(85,731)	-
<b>TOTAL CURRENT ASSETS</b>	<b>567,120</b>	<b>201,544</b>	<b>564,123</b>	<b>97,444</b>	<b>103,360</b>	<b>16,700</b>	<b>819,073</b>	<b>663,715</b>	<b>(85,731)</b>	<b>18,789,314</b>
<b>NON-CURRENT ASSETS</b>										
Investments - Long-Term Portion	-	-	-	-	-	-	-	-	-	2,127,014
Loans Receivable - Long-Term Portion	392,113	208,491	397,083	-	98,997	67,008	496,338	512,666	-	24,159,369
Equipment Lease - Long-Term Portion	-	-	-	9,715	-	-	-	-	-	9,715
Reserve for Loan Losses	(19,485)	(14,416)	(62,298)	(196)	(4,616)	(3,315)	(24,557)	(25,205)	-	(1,982,514)
Net Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	50,020
<b>TOTAL NON-CURRENT ASSETS</b>	<b>372,628</b>	<b>194,075</b>	<b>334,785</b>	<b>9,519</b>	<b>94,381</b>	<b>63,693</b>	<b>471,781</b>	<b>487,461</b>	<b>-</b>	<b>24,363,604</b>
<b>TOTAL ASSETS</b>	<b>\$ 939,748</b>	<b>\$ 395,619</b>	<b>\$ 898,908</b>	<b>\$ 106,963</b>	<b>\$ 197,741</b>	<b>\$ 80,393</b>	<b>\$ 1,290,854</b>	<b>\$ 1,151,176</b>	<b>\$ (85,731)</b>	<b>\$ 43,152,918</b>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES</b>										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,453
Accrued Liabilities	-	-	-	-	-	-	-	-	-	70,003
Borrower Deposits	-	-	-	-	-	-	-	-	-	140,255
Accrued Interest Payable	4,064	-	-	-	-	-	8,846	2,963	-	218,929
Due to Other Programs	-	4,563	2,583	103	223	458	824	2,062	(85,731)	-
Deferred Revenue - Current Portion	-	-	-	-	-	-	-	-	-	30,238
Loans Payable - Current Portion	132,475	22,281	-	-	-	-	328,776	600,000	-	9,233,215
<b>TOTAL CURRENT LIABILITIES</b>	<b>136,539</b>	<b>26,844</b>	<b>2,583</b>	<b>103</b>	<b>223</b>	<b>458</b>	<b>338,446</b>	<b>605,025</b>	<b>(85,731)</b>	<b>9,711,093</b>
<b>NON-CURRENT LIABILITIES</b>										
Deferred Revenue - Long-Term	-	-	-	-	-	-	-	-	-	83,242
Loans Payable - Long-Term	675,455	363,192	-	-	-	-	976,965	321,356	-	20,908,021
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>675,455</b>	<b>363,192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>976,965</b>	<b>321,356</b>	<b>-</b>	<b>20,991,263</b>
<b>TOTAL LIABILITIES</b>	<b>811,994</b>	<b>390,036</b>	<b>2,583</b>	<b>103</b>	<b>223</b>	<b>458</b>	<b>1,315,411</b>	<b>926,381</b>	<b>(85,731)</b>	<b>30,702,356</b>
<b>NET ASSETS</b>										
Without Donor Restrictions	127,754	5,583	(62,298)	(197)	(4,616)	(3,315)	(24,557)	224,795	-	9,985,289
With Donor Restrictions	-	-	958,623	107,057	202,134	83,250	-	-	-	2,465,273
<b>TOTAL NET ASSETS</b>	<b>127,754</b>	<b>5,583</b>	<b>896,325</b>	<b>106,860</b>	<b>197,518</b>	<b>79,935</b>	<b>(24,557)</b>	<b>224,795</b>	<b>-</b>	<b>12,450,562</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 939,748</b>	<b>\$ 395,619</b>	<b>\$ 898,908</b>	<b>\$ 106,963</b>	<b>\$ 197,741</b>	<b>\$ 80,393</b>	<b>\$ 1,290,854</b>	<b>\$ 1,151,176</b>	<b>\$ (85,731)</b>	<b>\$ 43,152,918</b>

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES  
 SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF ACTIVITIES  
 December 31, 2019

Schedule 2

	Operating Fund	Building Bright Futures 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
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>											
Revenue and Support											
Contributions	\$ 130,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	143,520	-	-	-	-	-	-	-	-	-	-
Financing Charges	84,763	-	-	-	-	-	-	-	-	-	-
Loan Interest	-	-	-	-	-	-	-	1,274,775	5,112	176,939	49,498
Net Investment Income	5,686	-	-	-	-	-	-	120,508	-	8,719	2,768
Other Income	58,141	-	-	-	-	-	-	1,600	-	-	-
Net Assets Released from Restrictions	-	54,000	111,850	55,396	5,000	-	234,732	-	-	-	-
Total Unrestricted Revenue and Support	<u>422,969</u>	<u>54,000</u>	<u>111,850</u>	<u>55,396</u>	<u>5,000</u>	<u>-</u>	<u>234,732</u>	<u>1,396,883</u>	<u>5,112</u>	<u>185,658</u>	<u>52,266</u>
Expenses:											
Program Services	1,127,782	54,000	111,850	55,396	5,000	-	234,732	607,593	391	(20,950)	58,662
Management and General Fundraising	388,711	-	-	-	-	-	-	-	-	-	-
	86,876	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>1,603,369</u>	<u>54,000</u>	<u>111,850</u>	<u>55,396</u>	<u>5,000</u>	<u>-</u>	<u>234,732</u>	<u>607,593</u>	<u>391</u>	<u>(20,950)</u>	<u>58,662</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE TRANSFERS	(1,180,400)	-	-	-	-	-	-	789,290	4,721	206,608	(6,396)
Transfers	1,202,606	-	-	-	-	-	-	(926,101)	(5,112)	(151,223)	(40,108)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	22,206	-	-	-	-	-	-	(136,811)	(391)	55,385	(46,504)
NET ASSETS WITHOUT DONOR RESTRICTIONS- January 1, 2019	<u>958,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,068,182</u>	<u>(4,179)</u>	<u>358,254</u>	<u>202,610</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - December 31, 2019	<u>\$ 981,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,931,371</u>	<u>\$ (4,570)</u>	<u>\$ 413,639</u>	<u>\$ 156,106</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,227	\$ -	\$ -	\$ -	\$ -
Grants	-	54,000	111,850	55,556	-	10,000	241,000	-	-	-	-
Net Investment Income	-	-	-	-	2,179	-	-	-	629	-	-
Net Loan Interest Income	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Sale of Assets	-	-	-	-	-	-	300	-	-	-	-
Lease Revenue	-	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	-	(54,000)	(111,850)	(55,396)	(5,000)	-	(234,732)	-	-	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	160	(2,821)	10,000	38,795	-	629	-	-
NET ASSETS WITH DONOR RESTRICTIONS- January 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,372</u>	<u>-</u>	<u>195,745</u>	<u>146,907</u>	<u>430,422</u>	<u>-</u>	<u>-</u>
NET ASSETS WITH DONOR RESTRICTIONS - December 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 291,551</u>	<u>\$ 10,000</u>	<u>\$ 234,540</u>	<u>\$ 146,907</u>	<u>\$ 431,051</u>	<u>\$ -</u>	<u>\$ -</u>



VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES  
 SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF ACTIVITIES  
 December 31, 2019

Schedule 2

	Intermediary Relending Program 31 Fund	SBA Fund	RMAP Fund	EDA Fund	Equipment Access Program Fund	Barre Revolving Loan Fund	NBRC Fund	Food, Farms, and Forest Fund	Next Generation Fund	Total
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>										
Revenue and Support										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,859
Grants	-	-	-	-	-	-	-	-	-	143,520
Financing Charges	-	-	-	-	-	-	-	-	-	84,763
Loan Interest	14,754	26,752	13,736	21,979	-	5,505	1,302	26,060	36,980	1,653,392
Net Investment Income	1,905	3,883	1,244	-	221	676	-	924	811	147,345
Other Income	-	-	-	-	-	-	-	-	-	59,741
Net Assets Released from Restrictions	-	-	-	-	30,479	27,589	-	-	-	519,046
Total Unrestricted Revenue and Support	<u>16,659</u>	<u>30,635</u>	<u>14,980</u>	<u>21,979</u>	<u>30,700</u>	<u>33,770</u>	<u>1,302</u>	<u>26,984</u>	<u>37,791</u>	<u>2,738,666</u>
Expenses:										
Program Services	(23,353)	14,318	14,973	20,626	29,821	3,292	3,315	13,046	10,874	2,321,368
Management and General Fundraising	-	-	-	-	-	-	-	-	-	388,711
Total Expenses	<u>(23,353)</u>	<u>14,318</u>	<u>14,973</u>	<u>20,626</u>	<u>29,821</u>	<u>3,292</u>	<u>3,315</u>	<u>13,046</u>	<u>10,874</u>	<u>2,796,955</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE TRANSFERS	40,012	16,317	7	1,353	879	30,478	(2,013)	13,938	26,917	(58,289)
Transfers	(16,659)	(10,751)	(3,073)	-	(221)	(6,180)	(1,302)	(15,752)	(26,124)	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	23,353	5,566	(3,066)	1,353	658	24,298	(3,315)	(1,814)	793	(58,289)
NET ASSETS WITHOUT DONOR RESTRICTIONS- January 1, 2019	<u>221,103</u>	<u>122,188</u>	<u>8,649</u>	<u>(63,651)</u>	<u>(855)</u>	<u>(28,914)</u>	<u>-</u>	<u>(22,743)</u>	<u>224,002</u>	<u>10,043,578</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - December 31, 2019	<u>\$ 244,456</u>	<u>\$ 127,754</u>	<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>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,227
Grants	-	-	-	-	-	-	83,250	-	-	555,656
Net Investment Income	-	-	-	4,057	-	-	-	-	-	6,865
Net Loan Interest Income	-	-	-	3,980	-	-	-	-	-	3,980
Gain/(Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	300
Lease Revenue	-	-	-	-	3,777	-	-	-	-	3,777
Net Assets Released from Restrictions	-	-	-	-	(30,479)	(27,589)	-	-	-	(519,046)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	8,037	(26,702)	(27,589)	83,250	-	-	83,759
NET ASSETS WITH DONOR RESTRICTIONS- January 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,586</u>	<u>133,759</u>	<u>229,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,381,514</u>
NET ASSETS WITH DONOR RESTRICTIONS - December 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<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>