

Vermont Community Loan Fund, Inc. and Subsidiaries

FINANCIAL STATEMENTS

December 31, 2014

Vermont Community Loan Fund, Inc. and Subsidiaries
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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. and Subsidiaries
Montpelier, Vermont

We have audited the accompanying financial statements of Vermont Community Loan Fund, Inc. and Subsidiaries (a nonprofit organization) which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities 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.

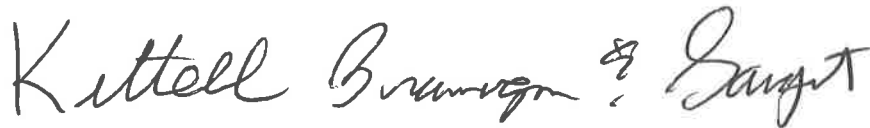
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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. and Subsidiaries as of December 31, 2014, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 3 and 4 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 "Kuttell Brumby & Sargent".

St. Albans, Vermont
March 20, 2015

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
December 31,

	2014	2013
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents - Note 2	\$ 7,159,787	\$ 5,409,814
Investments - Note 3 and 4	2,048,789	2,008,597
Other Receivables - Current Portion - Note 5	26,123	547,946
Loans Receivable - Current Portion - Note 6	7,657,667	4,343,143
Accrued Interest Receivable	129,319	129,226
Prepaid Expenses	53,428	8,034
Total Current Assets	17,075,113	12,446,760
Noncurrent Assets:		
Loans Receivable - Long-Term Portion - Note 6	17,820,751	20,023,502
Reserve for Loan Losses - Note 7	(1,639,548)	(1,736,064)
Plant and Equipment - (Net of Accumulated Depreciation) - Note 8	1,763	6,679
Total Noncurrent Assets	16,182,966	18,294,117
TOTAL ASSETS	\$ 33,258,079	\$ 30,740,877
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 12,257	\$ 12,977
Accrued Liabilities	105,578	74,418
Accrued Interest Payable	172,462	186,797
Deferred Revenue - Current Portion - Note 9	55,000	40,155
Loans Payable - Current Portion - Note 10	6,659,911	6,637,302
Total Current Liabilities	7,005,208	6,951,649
Noncurrent Liabilities:		
Loans Payable - Long-Term - Note 10	17,789,402	16,088,264
Total Liabilities	24,794,610	23,039,913
Net Assets:		
Unrestricted	6,390,644	6,593,738
Temporarily Restricted - Note 11	555,974	515,342
Permanently Restricted - Note 11	1,516,851	591,884
Total Net Assets	8,463,469	7,700,964
TOTAL LIABILITIES AND NET ASSETS	\$ 33,258,079	\$ 30,740,877

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

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue:								
Contributions	\$ 89,026	\$ 83,260	\$ -	\$ 172,286	\$ 95,885	\$ 3,700	\$ -	\$ 99,585
Grants	550,417	321,770	706,401	1,578,588	638,955	316,346	-	955,301
Financing Charges	68,562	-	-	68,562	68,886	-	-	68,886
Loan Interest	1,506,078	-	-	1,506,078	1,431,928	-	-	1,431,928
(Net Investment Income	51,272	471	355	52,098	62,537	1,290	366	64,193
Recovery of Bad Debt and								
Foreclosure Expenses	103,635	-	-	103,635	41,954	-	-	41,954
Other Income	31,493	206	-	31,699	39,679	-	-	39,679
Net Assets Released from								
Restrictions - Note 11	378,364	(365,075)	(13,289)	-	305,204	(305,204)	-	-
Total Revenue	<u>2,778,847</u>	<u>40,632</u>	<u>693,467</u>	<u>3,512,946</u>	<u>2,685,028</u>	<u>16,132</u>	<u>366</u>	<u>2,701,526</u>
Expenses:								
Program Services	2,309,168	-	-	2,309,168	2,426,447	-	-	2,426,447
Management and General	358,891	-	-	358,891	318,882	-	-	318,882
Fundraising	82,382	-	-	82,382	71,399	-	-	71,399
Total Expenses	<u>2,750,441</u>	<u>-</u>	<u>-</u>	<u>2,750,441</u>	<u>2,816,728</u>	<u>-</u>	<u>-</u>	<u>2,816,728</u>
Changes in Net Assets	28,406	40,632	693,467	762,505	(131,700)	16,132	366	(115,202)
Net Assets - January 1,	6,593,738	515,342	591,884	7,700,964	6,664,566	499,210	652,390	7,816,166
Net Asset Transfers - Note 19	(231,500)	-	231,500	-	60,872	-	(60,872)	-
Net Assets - December 31,	<u>\$ 6,390,644</u>	<u>\$ 555,974</u>	<u>\$ 1,516,851</u>	<u>\$ 8,463,469</u>	<u>\$ 6,593,738</u>	<u>\$ 515,342</u>	<u>\$ 591,884</u>	<u>\$ 7,700,964</u>

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

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Management and General	Fundraising	Total
Accounting	\$ -	\$ 30,117	\$ -	\$ 30,117
Advertising	23,798	-	2,644	26,442
Bank Charges	5,594	2,397	-	7,991
Board and Committee Expense	1,156	693	462	2,311
Computer Supplies	2,771	739	185	3,695
Consultants	51,864	22,227	-	74,091
Copying	164	44	11	219
Depreciation	5,341	1,424	356	7,121
Dues and Publications	5,719	1,525	381	7,625
Employee Search & Relocation Exp	-	-	-	-
Foreclosure Expense	41,490	-	-	41,490
Fiscal Sponsor Admin Fees	5,146	-	-	5,146
Grant Administrative Expenses	9,541	-	-	9,541
Insurance	8,120	2,165	541	10,826
Interest Expense	394,403	-	-	394,403
Legal	918	2,755	-	3,673
Loan Service Fees	12,806	-	-	12,806
Provision for Loan Losses- Note 7	426,109	-	-	426,109
Occupancy Costs	61,350	16,360	4,090	81,800
Office Supplies	8,772	2,339	585	11,696
Outreach	27,077	-	3,009	30,086
Personnel Costs	973,226	259,527	64,882	1,297,635
Postage	2,959	1,480	493	4,932
Printing	13,551	3,872	1,936	19,359
Repairs and Maintenance	980	262	66	1,308
Staff Enrichment	2,137	570	142	2,849
Telephone	10,534	2,809	702	14,045
Training	2,036	543	136	2,715
Transportation	19,455	5,188	1,297	25,940
Travel	6,956	1,855	464	9,275
Pass Through Grant Expense	185,195	-	-	185,195
Total	\$ 2,309,168	\$ 358,891	\$ 82,382	\$ 2,750,441

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

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Management and General	Fundraising	Total
Accounting	\$ -	\$ 30,461	\$ -	\$ 30,461
Advertising	17,577	-	1,953	19,530
Bank Charges	4,776	2,047	-	6,823
Board and Committee Expense	2,215	1,329	886	4,429
Computer Supplies	294	78	20	392
Consultants	40,748	17,463	-	58,211
Copying	356	95	24	475
Depreciation	6,389	1,704	426	8,519
Dues and Publications	3,706	988	247	4,941
Foreclosure Expense	20,027	-	-	20,027
Insurance	7,446	1,986	496	9,928
Interest Expense	429,691	-	-	429,691
Legal	603	1,808	-	2,411
Loan Service Fees	6,234	-	-	6,234
Provision for Loan Losses - Note 7	607,757	-	-	607,757
Occupancy Costs	59,567	15,884	3,971	79,422
Office Supplies	4,056	1,082	270	5,408
Outreach	12,080	-	1,342	13,422
Personnel Costs	838,470	223,592	55,898	1,117,960
Postage	7,953	3,977	1,326	13,255
Printing	10,753	3,072	1,536	15,361
Repairs and Maintenance	1,289	344	86	1,718
Staff Enrichment	1,910	509	127	2,547
Telephone	9,867	2,631	658	13,156
Training	2,256	602	150	3,008
Transportation	21,125	5,633	1,408	28,166
Travel	8,618	2,298	575	11,490
Pass Through Grant Expense	293,571	-	-	293,571
	<u>2,426,447</u>	<u>318,882</u>	<u>71,399</u>	<u>2,816,728</u>
Total	<u>\$ 2,426,447</u>	<u>\$ 318,882</u>	<u>\$ 71,399</u>	<u>\$ 2,816,728</u>

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

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2014	2013
Increase/(Decrease) in Cash:		
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ 762,505	\$ (115,202)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation Expense	7,121	8,519
Change in Provision for Loan Losses	(96,516)	387,880
(Increase)/Decrease in:		
Prepaid Expenses	(45,394)	6,720
Other Receivable	521,823	(529,062)
Increase/(Decrease in):		
Accounts Payable	(720)	(3,332)
Accrued Liabilities	31,160	9,418
Deferred revenue	14,845	(19,933)
Net Cash Provided/(Used) by Operating Activities	1,194,824	(254,992)
Cash Flows from Investing Activities:		
Decrease/(Increase) in Investments	(40,192)	(49,324)
(Purchase) or Sale of Leasehold Improvements and Equipment	(2,205)	-
Loans Receivable Written Off	522,625	219,876
Principal Advances on Loans Receivable	(5,170,226)	(6,239,456)
Principal Payments on Loans Receivable	3,535,807	4,611,337
Decrease/(Increase) in Accrued Interest Receivable	(93)	(15,897)
Net Cash Provided/(Used) by Investing Activities	(1,154,284)	(1,473,464)
Cash Flow from Financing Activities:		
Increase/(Decrease) in Accrued Interest Payable	(14,335)	26,793
Proceeds from additional Loans Payable	3,458,127	4,899,657
Principal Payments to Loans Payable	(1,734,359)	(3,340,865)
Net Cash Provided/(Used) by Financing Activities	1,709,433	1,585,585
Net Increase (Decrease) in Cash:	1,749,973	(142,871)
Cash - January 1,	5,409,814	5,552,685
Cash - December 31,	\$ 7,159,787	\$ 5,409,814
Supplemental Disclosures:		
Interest paid to investors	\$ 417,861	\$ 404,022

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

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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.

Prior to 2014 the Vermont Community Loan Fund, Inc. had two controlled subsidiaries, the Vermont Community Enterprise Fund, Inc. (VCEF) and the Building Community Fund, Inc. (BCF). As of May 31, 2000, all of the assets and liabilities of VCEF and BCF were transferred to the Vermont Community Loan Fund, Inc. As of December 31, 2014, both VCEF and BCF had been dissolved.

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.

Unrestricted Net Assets

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.

Temporarily Restricted Net Assets

These assets result from contributions and other inflows of assets whose use by the Fund is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Fund. Restrictions released within one operating period are reported as unrestricted.

Permanently Restricted Net Assets

These assets result from contributions restricted to funding lending in perpetuity. The income on these funds is expendable for operations.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. and Subsidiaries
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

Note 2: CASH AND CERTIFICATES OF DEPOSIT

Cash and certificates of deposit as of December 31, 2014 and 2013 totaled \$9,208,576 and \$7,418,411, respectively.

<i>Cash and CDs</i>	<i>2014</i>	<i>2013</i>
Insured/(FDIC/NCUA)	\$ 1,825,594	\$ 1,824,816
Collateralized - Treasury	849,333	1,109,719
Collateralized - Pool	4,236,382	2,982,302
Uninsured/Uncollateralized	2,297,267	1,501,574
Total	\$ 9,208,576	\$ 7,418,411

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, and the Small Business Administration, separate bank accounts are maintained totaling \$1,908,319 and \$2,014,435 at December 31, 2014 and 2013, respectively.

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

<i>Cash and CDs</i>	<i>2014</i>	<i>2013</i>
Cash	\$ 7,159,787	\$ 5,409,814
Investments- Certificates of Deposit	2,048,789	2,008,597
Total	\$ 9,208,576	\$ 7,418,411

Note 3: INVESTMENTS

At December 31, 2014 and 2013, the Fund had no Investments in U.S. Government Agency Obligations. The Fund held certificates of deposit of \$2,048,789 and \$2,008,597, respectively, as indicated in the table above. Investments are carried at cost or amortized cost and the difference between cost and market value is immaterial.

Note 4: CASH AND INVESTMENT RESERVES

At December 31, 2014 and 2013, the Fund had cash and investments of \$9,208,576 and \$7,418,411, respectively. The Fund reserves a portion of this money for various purposes. The following is a breakdown of these reserves.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 4: CASH AND INVESTMENT RESERVES (continued)

<i>Type of Reserve</i>	<i>2014</i>	<i>2013</i>
Cash Reserved for Building Bright Futures	\$ 9,129	\$ 40,162
Cash Reserved for GMP & GMPCHP	242,819	408,378
Cash Reserved for VECA	31,990	95,100
Cash Reserved for Loan Commitments & Undisbursed		
Closed Loans	3,184,714	3,088,446
Cash Reserved for Loan Loss & Liquidity	3,556,105	3,554,107
Available Cash - Undesignated (Operating)	529,960	672,024
Available Cash - for Lending	1,653,859	(439,806)
Total Cash	\$ 9,208,576	\$ 7,418,411

At December 31, 2014, the Available Cash – for Lending excludes unused lines of credit totaling \$1,500,000, an outstanding grant receivable for \$26,123, and \$937,500 from a Small Business Administration loan that was committed and closed in 2014 but only \$312,500 had been drawn down as of December 31, 2014.

Note 5: OTHER RECEIVABLES

At December 31, 2014 and 2013, the Fund had other receivables of \$26,123 and \$547,946, respectively.

<i>Other Receivables</i>	<i>2014</i>	<i>2013</i>
Other Grants Receivable	\$ 26,123	\$ 547,293
Employee Loans Receivable	-	653
Total	\$ 26,123	\$ 547,946

Other grants receivable are comprised of grants which will be received in 2015. Employee loans receivable are comprised of energy efficient improvement loans to employees. As of December 31, 2014, there are no employee loans receivable.

Note 6: LOANS RECEIVABLE

At December 31, 2014 and 2013, there were 230 and 232 loans receivable, respectively. The loan balances at December 31, 2014 vary in amount from \$184 to \$1,646,009 with maturity dates ranging from January 1, 2015 to April 25, 2041 and with interest rates from 0% to 11.25% with a weighted average rate of 5.96%. Security interests vary from loan guarantees and first to eighth mortgages to personal and business property. Total loans receivable at December 31, 2014 and 2013 were \$25,478,418 and \$24,366,645, respectively.

<i>Loans Receivable</i>	<i>2014</i>	<i>2013</i>
Loans Current, Per Terms of Loan	\$ 24,127,787	\$ 21,947,308
Loans Delinquent, 31-90 Days	615,186	1,554,949
Non-Performing Loans	735,445	864,388
Total	25,478,418	24,366,645
Less: Current Portion	(7,657,667)	(4,343,143)
Non-Current Portion	\$ 17,820,751	\$ 20,023,502

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 6: LOANS RECEIVABLE (continued)

Maturities of Loans Receivable at December 31, 2014 are as follows:

2015	\$ 7,657,667
2016	4,107,583
2017	4,402,309
2018	3,446,787
2019	2,810,773
Thereafter	<u>3,053,299</u>
 Total	 <u>\$ 25,478,418</u>

At December 31, 2014 and 2013, 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, 2014 and 2013, 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, 2014 and 2013, 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 as members on the Board of Directors. Consequently, during the course of business, loans were made to organizations of which current Vermont Community Loan Fund, Inc. members are significant employees or board members.

Committed Funds to Borrowers

At December 31, 2014 and 2013, there were twenty-eight (28) and thirty-three (33) outstanding loan commitments and loans not fully disbursed totaling \$3,184,714 and \$3,088,446, respectively.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 7: 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, 2014 and 2013 are \$1,639,548 and \$1,736,064, respectively.

Changes in the loan loss reserve for the year ended December 31, 2014 were as follows:

2014	Housing	Community Facilities	Business	Child Care	Total
Balance Dec 31, 2013	\$ 527,224	\$ 173,381	\$ 738,880	\$ 296,579	\$ 1,736,064
Provision for Loan Losses	(160,258)	58,765	317,695	106,393	322,595
Recoveries of amounts charged off		986	94,464	8,064	103,514
	366,966	233,132	1,151,039	411,036	2,162,173
Amounts Charged off	(6,500)	-	(444,490)	(71,635)	(522,625)
Balance Dec 31, 2014	\$ 360,466	\$ 233,132	\$ 706,549	\$ 339,401	\$ 1,639,548

Changes in the loan loss reserve for the year ended December 31, 2013 were as follows:

2013	Housing	Community Facilities	Business	Child Care	Total
Balance Dec 31, 2012	\$ 275,241	\$ 212,181	\$ 585,200	\$ 275,562	\$ 1,348,184
Provision for Loan Losses	251,983	(32,297)	329,904	16,217	565,807
Recoveries of amounts charged off	-	1,809	35,339	4,800	41,948
	527,224	181,693	950,443	296,579	1,955,939
Amounts Charged off	-	(8,312)	(211,563)	-	(219,875)
Balance Dec 31, 2013	\$ 527,224	\$ 173,381	\$ 738,880	\$ 296,579	\$ 1,736,064

Vermont Community Loan Fund, Inc. and Subsidiaries
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

Note 7: LOAN LOSS RESERVE (continued)

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:

2014 Risk	Housing	Community Facilities	Business	Child Care	Total
Low	\$ 555,442	\$ 136,818	\$ 133,000	\$ -	\$ 825,260
Moderate	3,673,190	454,151	1,198,310	251,183	5,576,834
Average	4,188,596	990,614	2,733,670	2,842,437	10,755,317
Substantial	2,158,076	2,564,275	607,387	1,495,053	6,824,791
High	92,555	219,164	1,001,027	98,470	1,411,216
Workout	85,000	-	-	-	85,000
Total	\$ 10,752,859	\$ 4,365,022	\$ 5,673,394	\$ 4,687,143	\$ 25,478,418

2013 Risk	Housing	Community Facilities	Business	Child Care	Total
Low	\$ 477,071	\$ 147,842	\$ -	\$ -	\$ 624,913
Moderate	3,270,769	290,112	383,486	141,760	4,086,127
Average	3,296,039	1,498,528	2,482,432	3,018,342	10,295,341
Substantial	2,561,104	2,751,600	995,596	1,133,328	7,441,628
High	699,436	-	1,057,037	77,163	1,833,636
Workout	85,000	-	-	-	85,000
Total	\$ 10,389,419	\$ 4,688,082	\$ 4,918,551	\$ 4,370,593	\$ 24,366,645

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

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 7: LOAN LOSS RESERVE (continued)

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

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.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 7: LOAN LOSS RESERVE (continued)

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

2014	Recorded Investment	Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Housing	\$ 10,752,859	\$ 10,752,859	\$ 360,466	\$ 10,571,140	\$ 584,009
Community Facilities	4,365,022	4,365,022	233,132	4,526,552	265,380
Business	5,673,394	5,673,394	706,549	5,295,974	355,669
Child Care	4,687,143	4,687,143	339,401	4,528,868	301,020
Total	\$ 25,478,418	\$ 25,478,418	\$ 1,639,548	\$ 24,922,534	\$ 1,506,078

2013	Recorded Investment	Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Housing	\$ 10,389,419	\$ 10,389,419	\$ 527,224	\$ 8,994,208	\$ 476,548
Community Facilities	4,688,082	\$ 4,688,082	173,381	4,980,065	319,995
Business	4,918,551	\$ 4,918,551	738,880	5,346,117	336,459
Child Care	4,370,593	\$ 4,370,593	296,579	4,342,135	298,926
Total	\$ 24,366,645	\$ 24,366,645	\$ 1,736,064	\$ 23,662,525	\$ 1,431,928

For the years ended December 31, 2014 and 2013, \$1,506,079 and \$1,431,928 was recognized as interest income from the above loans.

As of December 31, 2014 and 2013, the Fund was not committed to lend any additional funds to borrowers whose loans were nonperforming, impaired or restructured.

Note 8: PLANT AND EQUIPMENT

The following is a summary of net plant and equipment at December 31, 2014 and 2013:

Fixed Assets	Gross Fixed Assets 12/31/14	Accumulated Depreciation 12/31/14	Net Book Value 12/31/14	Gross Fixed Assets 12/31/13	Accumulated Depreciation 12/31/13	Net Book Value 12/31/13
Furniture, Fixtures and Equipment	\$ 89,554	\$ 87,791	\$ 1,763	\$ 89,497	\$ 82,818	\$ 6,679
Leasehold Improvements	14,679	14,679	-	14,679	14,679	-
Total	\$ 104,233	\$ 102,470	\$ 1,763	\$ 104,176	\$ 97,497	\$ 6,679

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 9: DEFERRED REVENUE

At December 31, 2014 and 2013, deferred revenue was \$55,000 and \$40,155, respectively. Deferred revenue consists of unearned grant awards and is expected to be earned in 2015.

Note 10: LOANS PAYABLE

At December 31, 2014 and 2013, there were various loans payable. There were 476 loans, at December 31, 2014, which varied in amount from \$250 to \$1,247,000 with maturity dates from January 15, 2015 to February 18, 2040 and with interest rates from 0% to 4% with a weighted average rate of 1.59%. The loans from USDA, totaling \$4,357,529, are secured by a pledge of all assets now in the IRP Revolving Fund, including cash and investments, notes receivable and the security interest in collateral pledged. Loans from SBA, totaling \$753,740, 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, 2014 and 2013 were \$24,449,313 and \$22,725,566, respectively.

Loans Payable	2014	2013
Total Loans Payable	\$ 24,449,313	\$ 22,725,566
Less: Current Portion	(6,659,911)	(6,637,302)
Non-Current Portion	\$ 17,789,402	\$ 16,088,264

Maturities at December 31, 2014 are as follows:

2015	\$ 6,659,911
2016	3,636,900
2017	2,227,505
2018	3,870,807
2019	2,958,423
Thereafter	<u>5,095,767</u>
	<u>\$ 24,449,313</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 were accepted from individual Board members or from organizations of which current VCLF Board members are significant employees or board members.

There are some loans payable that contain certain financial covenants.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 11: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Unrestricted net assets, temporarily restricted net assets, and permanently restricted net asset balances as of December 31, 2014 and December 31, 2013 were as follows:

Net Assets	2014	2013
Temporarily Restricted Net Assets	\$ 555,974	\$ 515,342
Permanently Restricted Net Assets	1,516,851	591,884
Unrestricted Net Assets	6,390,644	6,593,738
Total Net Assets	\$ 8,463,469	\$ 7,700,964

Temporarily restricted net assets consists of grant programs the Fund administers. At December 31, 2014 temporarily restricted net assets was comprised of the Green Mountain Power (GMP) Renewable Development Fund and Combined Heat and Power Fund, the Vermont Early Childhood Alliance Fiscal Sponsorship (VECA), and the Equipment Access Program (EAP).

The temporarily restricted net assets balances for GMP, VECA, and EAP as of December 31, 2014 and December 31, 2013 were as follows:

Temporarily Restricted Net Assets	2014	Income	Net Assets Released	2013
Green Mountain Power	\$ 374,619	\$ 60,424	\$ (94,180)	\$ 408,375
Vermont Early Childhood Alliance	6,904	85,760	(185,823)	106,967
Equipment Access Program	174,451	195,253	(20,802)	-
Total Temporary Restricted Net Assets	\$ 555,974	\$ 341,437	\$ (300,805)	\$ 515,342

Permanently restricted net assets consist of grants and contributions restricted to funding loans or loan loss reserve in perpetuity.

Net assets were released from restrictions by incurring expenses in satisfaction of the restricted purposes specified by donors/grantors.

The permanently restricted net assets balances for VHCB and USDA-RD grants as of December 31, 2014 and December 31, 2013 were as follows:

Permanently Restricted Net Assets	2014	Income	Net Assets Released	2013
Vermont Housing Conservation Board for Mobile Home Loan Subsidy Program - VHCB (now restricted to affordable housing)	\$ 156,907	\$ -	\$ (6,500)	\$ 163,407
USDA-RD Grants (three revolving loan funds), plus deposit interest	428,832	355	-	428,477
Economic Development Authority (EDA)	931,112	937,901	(6,789)	-
Total Permanently Restricted Net Assets	\$ 1,516,851	\$ 938,256	\$ (13,289)	\$ 591,884

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 12: PENSION 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 2013 and 2014. Pension expense for the years ended December 31, 2014 and 2013 was \$47,392 and \$39,713, respectively.

In 2014, the Fund transferred the 403(b) Plan assets From Expert Plan/SocialK to custodian Charles Schwab Corporation and engaged Fleischer Jacobs Group to provide investment advisory and education services including fiduciary consulting and oversight, and Future Planning Associates to provide administrative services including compliance review, participant accounting and reporting.

Note 13: FINANCING COMMITMENTS

The Fund was approved for loans from Community National Bank and People's United Bank in 2009, TD Bank in 2012, and the SBA in 2014. Each loan has been renewed at successive maturity since then, if applicable. At December 31, 2014, the Fund had \$2,437,500 in financing available.

Financing Commitments	Rate	Term (Yrs)	Financing Amount	2014 Outstanding Balance	Available Balance	2013 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	-
SBA Loan	0.125%	10	1,250,000	312,500	937,500	-
Total		-	\$ 2,750,000	\$ 312,500	\$ 2,437,500	\$ -

Note 14: 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. Rental expense for the year ended December 31, 2014 was \$60,500 and for the year ended 2013 was \$60,000.

Future lease commitments are as follows:

January 1, 2015 - July 31, 2015	35,700
August 1, 2015 - December 31, 2015	26,000
January 1, 2016 - July 31, 2016	36,400
	<u>\$ 98,100</u>

Effective August 1, 2013 and at each annual renewal thereafter the Fund has the right to terminate the lease with 120 days' notice.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 15: GMP FUNDS EFFECT ON NET ASSETS

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 prior years, both funds have received grants which increased the net assets in the Fund. However, net assets in the funds will decrease in subsequent years as the Fund sub-grants the capital to eligible renewable energy projects. Net assets for the RDF and CHP as of December 31, 2014 and 2013 are \$374,619 and \$408,375 respectively.

Net assets, excluding the RDF and CHP, as of December 31, 2014 and 2013 are \$8,088,850 and \$7,292,589, respectively.

Note 16: VERMONT EARLY CHILDHOOD ALLIANCE FISCAL SPONSORSHIP

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

The Vermont Early Childhood Alliance (VECA) 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, VCLF 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, and then the agreement was renewed for 2015. The VECA activities will be funded by grants and donations from interested foundations, agencies, corporations and individuals. Funding for 2015 is expected in February 2015.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 17: VERMONT EARLY CHILDHOOD ALLIANCE FISCAL SPONSORSHIP (continued)

As of December 31, 2014 temporarily restricted net assets in the VECA Fund were \$6,904, and \$106,967 at December 31, 2013.

Note 18: 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.

As of December 31, 2014, the temporarily restricted net assets in the EAP were \$174,451.

Note 19: ECONOMIC DEVELOPMENT AUTHORITY

VCLF 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, 2014, the permanently restricted net assets in the EDA were \$931,112.

Note 20: NEXT GENERATION FUND

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 child care borrowers, through low interest rate bearing investments, permanent capital grants and capacity building grants. VCLF contributed \$250,000 unrestricted equity to the NGF, and it has attracted two investments to date including the Office of the Treasurer State of Vermont and the Vermont Community Foundation.

As of December 31, 2014, the unrestricted net assets in the NGF were \$238,315.

Vermont Community Loan Fund, Inc. and Subsidiaries
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 21: SUBSEQUENT EVENTS

In January 2015, VCLF closed a 30 year 1% loan from the U.S. Department of Agriculture – Rural Development in the amount of \$1,000,000. No draw was taken at that time. VCLF transferred an equity contribution of a performing loan with a balance of \$226,193 to Intermediary Relending Program #30.

In accordance with accounting standards, the Fund has evaluated subsequent events through March 20, 2015, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2014, have been incorporated into these basic financial statements herein.

SUPPLEMENTARY INFORMATION

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
 COMBINING SCHEDULE OF FINANCIAL POSITION
 December 31, 2014

<u>ASSETS</u>	Operating Fund	VT Birth to 3	Building Bright Futures Fund	GMP CVPS RDF/CHP Fund	VECA Fund	UNR VHCB Fund	Agri Tourism Fund	Intermediary Relending Program 29 Fund	SBA Fund	EDA Fund	Equipment Access Program Fund	Next Generation Fund	Elimination	Total
Current Assets:														
Cash and Cash Equivalents	\$ 529,759	\$ -	\$ 9,129	\$ 242,819	\$ 32,192	\$ 3,067,689	\$ 230,597	\$ 1,174,924	\$ 490,575	\$ 525,103	\$ 174,567	\$ 682,433	\$ -	\$ 7,159,787
Investments	-	-	-	-	-	2,048,789	-	-	-	-	-	-	-	2,048,789
Other Receivables-Current Portion	26,123	-	-	-	-	-	-	-	-	-	-	-	-	26,123
Loans Receivable - Current Portion	-	-	-	-	-	6,041,848	58,315	1,198,514	141,426	123,818	-	93,746	-	7,657,667
Accrued Interest Receivable	-	-	-	-	-	92,022	404	31,491	2,381	1,932	-	1,089	-	129,319
Prepaid Expenses	53,428	-	-	-	-	-	-	-	-	-	-	-	-	53,428
Due from Other Programs	324,442	-	-	-	-	-	-	-	-	-	-	-	(324,442)	-
Total Current Assets	933,752	-	9,129	242,819	32,192	11,250,348	289,316	2,404,929	634,382	650,853	174,567	777,268	(324,442)	17,075,113
Noncurrent Assets:														
Loans Receivable - Long-Term Portion	-	-	-	133,000	-	13,763,840	141,613	2,910,514	343,443	300,685	-	227,656	-	17,820,751
Reserve for Loan Losses	-	-	-	-	-	(1,256,858)	(8,545)	(299,557)	(26,314)	(36,589)	-	(11,685)	-	(1,639,548)
Net Property, Plant and Equipment	925	-	-	-	838	-	-	-	-	-	-	-	-	1,763
Total Noncurrent Assets	925	-	-	133,000	838	12,506,982	133,068	2,610,957	317,129	264,096	-	215,971	-	16,182,966
TOTAL ASSETS	\$ 934,677	\$ -	\$ 9,129	\$ 375,819	\$ 33,030	\$23,757,330	\$ 422,384	\$ 5,015,886	\$ 951,511	\$ 914,949	\$ 174,567	\$ 993,239	\$(324,442)	\$33,258,079
LIABILITIES AND NET ASSETS														
Current Liabilities:														
Accounts Payable	\$ 12,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,257
Accrued Liabilities	95,034	-	-	-	10,544	-	-	-	-	-	-	-	-	105,578
Accrued Interest Payable	-	-	-	-	-	149,641	-	20,399	477	-	-	1,945	-	172,462
Due to Other Programs	-	-	9,129	1,200	15,582	36,782	1,291	180,212	56,958	20,193	116	2,979	(324,442)	-
Deferred Revenue - Current Portion	55,000	-	-	-	-	-	-	-	-	-	-	-	-	55,000
Loans Payable - Current Portion	-	-	-	-	-	5,843,448	-	184,465	131,998	-	-	500,000	-	6,659,911
Total Current Liabilities	162,291	-	9,129	1,200	26,126	6,029,871	1,291	385,076	189,433	20,193	116	504,924	(324,442)	7,005,208
Noncurrent Liabilities:														
Loans Payable - Long-Term	-	-	-	-	-	12,744,596	-	4,173,064	621,742	-	-	250,000	-	17,789,402
Total Liabilities	162,291	-	9,129	1,200	26,126	18,774,467	1,291	4,558,140	811,175	20,193	116	754,924	(324,442)	24,794,610
Net Assets:														
Unrestricted	772,386	-	-	-	-	4,825,956	(7,739)	457,746	140,336	(36,356)	-	238,315	-	6,390,644
Temporarily Restricted	-	-	-	374,619	6,904	-	-	-	-	-	174,451	-	-	555,974
Permanently Restricted	-	-	-	-	-	156,907	428,832	-	-	931,112	-	-	-	1,516,851
Total Net Assets	772,386	-	-	374,619	6,904	4,982,863	421,093	457,746	140,336	894,756	174,451	238,315	-	8,463,469
TOTAL LIABILITIES AND NET ASSETS	\$ 934,677	\$ -	\$ 9,129	\$ 375,819	\$ 33,030	\$23,757,330	\$ 422,384	\$ 5,015,886	\$ 951,511	\$ 914,949	\$ 174,567	\$ 993,239	\$(324,442)	\$33,258,079

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

VERMONT COMMUNITY LOAN FUND, INC. AND SUBSIDIARIES
 COMBINING SCHEDULE OF ACTIVITIES
 For the Year Ended December 31, 2014

	Operating Fund	VT Birth to 3 Fund	Building Bright Futures Fund	GMP CVPS RDF/CHP Fund	VECA Fund	UNR VHCBC Fund	Agri Tourism Fund	Intermediary Relending Program 29 Fund	SBA Fund	EDA Fund	Equipment Access Program Fund	Next Generation Fund	Total
Changes in Unrestricted Net Assets:													
Revenue and Support:													
Contributions	\$ 89,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,026
Grants	220,224	-	-	-	-	330,193	-	-	-	-	-	-	550,417
Financing Charges	68,562	-	-	-	-	-	-	-	-	-	-	-	68,562
Loan Interest	-	-	-	-	-	1,181,835	8,069	274,211	28,395	8,206	-	5,362	1,506,078
Net Investment Income	353	-	104	-	-	46,469	-	2,314	1,482	368	-	182	51,272
Other Income	31,492	-	-	-	-	76,568	-	27,068	-	-	-	-	135,128
Net Assets Released from Restrictions	-	(500)	64,770	94,180	185,823	6,500	-	-	-	6,789	20,802	-	378,364
Total Unrestricted Revenue and Support	409,657	(500)	64,874	94,180	185,823	1,641,565	8,069	303,593	29,877	15,363	20,802	5,544	2,778,847
Expenses:													
Program Services	1,066,538	(500)	64,770	94,180	185,823	564,253	(14,679)	256,128	6,551	51,719	20,755	13,630	2,309,168
Management and General	358,891	-	-	-	-	-	-	-	-	-	-	-	358,891
Fundraising	82,382	-	-	-	-	-	-	-	-	-	-	-	82,382
Total Expenses	1,507,811	(500)	64,770	94,180	185,823	564,253	(14,679)	256,128	6,551	51,719	20,755	13,630	2,750,441
Change in Unrestricted Net Assets Before Transfers	(1,098,154)	-	104	-	-	1,077,312	22,748	47,465	23,326	(36,356)	47	(8,086)	28,406
Transfers	1,159,043	-	(104)	-	-	(1,412,781)	(8,069)	(232,052)	16,109	-	(47)	246,401	(231,500)
Change in Unrestricted Net Assets After Transfers	60,889	-	-	-	-	(335,469)	14,679	(184,587)	39,435	(36,356)	-	238,315	(203,094)
Unrestricted Net Assets - January 1, 2014	711,497	-	-	-	-	5,161,425	(22,418)	642,333	100,901	-	-	-	6,593,738
Unrestricted Net Assets - December 31, 2014	\$ 772,386	\$ -	\$ -	\$ -	\$ -	\$ 4,825,956	\$ (7,739)	\$ 457,746	\$ 140,336	\$ (36,356)	\$ -	\$ 238,315	\$ 6,390,644
Changes in Temporarily Restricted Net Assets:													
Contributions	\$ -	\$ -	\$ -	\$ 60,000	\$ 23,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,260
Grants	-	(500)	64,770	-	62,500	-	-	-	-	-	195,000	-	321,770
Net Investment Income	-	-	-	424	-	-	-	-	-	-	47	-	471
Lease Revenue	-	-	-	-	-	-	-	-	-	-	206	-	206
Net Assets Released from Restrictions	-	500	(64,770)	(94,180)	(185,823)	-	-	-	-	-	(20,802)	-	(365,075)
Change in Temporarily Restricted Net Assets	-	-	-	(33,756)	(100,063)	-	-	-	-	-	174,451	-	40,632
Temporarily Restricted Net Assets - January 1, 2014	-	-	-	408,375	106,967	-	-	-	-	-	-	-	515,342
Temporarily Restricted Net Assets - December 31, 2014	\$ -	\$ -	\$ -	\$ 374,619	\$ 6,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,451	\$ -	\$ 555,974
Changes in Permanently Restricted Net Assets:													
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,401	\$ -	\$ -	\$ 706,401
Net Investment Income	-	-	-	-	-	-	355	-	-	-	-	-	355
Loan Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	231,500	-	-	231,500
Net Assets Released from Restrictions	-	-	-	-	-	(6,500)	-	-	-	(6,789)	-	-	(13,289)
Permanently Restricted Net Assets - January 1, 2014	-	-	-	-	-	163,407	428,477	-	-	-	-	-	591,884
Permanently Restricted Net Assets - December 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,907	\$ 428,832	\$ -	\$ -	\$ 931,112	\$ -	\$ -	\$ 1,516,851