Renewed Opportunity

NEW JERSEY COMMUNITY CAPITAL
2015 Annual Report
Renewed Opportunity...

for a construction worker to develop new skills and access a living-wage job building projects that revitalize communities

for a small business to both recover from a natural disaster, and also to grow and thrive in the ensuing years

for a child to attend daycare in the same building where her parents open their first savings account

for a lower-income family to realize the dream of stable, long-term homeownership

for a struggling town to overcome the blight and vacancy that has hampered it for generations

for projects, communities, towns, and cities across New Jersey to pave the way to stability and growth

New Jersey Community Capital (NJCC) is a nonprofit Community Development Financial Institution (CDFI) that transforms at-risk communities through strategic investments of capital and knowledge.

NJCC envisions a world where all people live, learn, and flourish in communities full of opportunity. We transform communities by providing our clients with essential capital and our investors with financial and social returns.
Dear Friends,

The latest data still paint a troubling picture of our state. New Jersey’s rates of poverty, unemployment, foreclosure, and inequality are among the highest in the nation, and the number of displaced and distressed victims of Superstorm Sandy remains far too large. One tour through the state’s disinvested urban communities confirms what the data suggest: in our physical, economic, and emotional recovery, New Jersey has a long road ahead.

So why are we at NJCC so optimistic that, entering 2016, New Jersey is becoming a place of renewed opportunity? After a decade of fighting a tide of economic loss, what is the source of our hope for a positive change?

The answer is simple: we have the privilege of seeing—and sowing—its seeds.

As a statewide CDFI, we partner with a cross section of community leaders across New Jersey that are changing the landscape of community development. Community organizations are redefining their roles and becoming more strategic, comprehensive, and regional. Municipal leaders are taking creative approaches to tackling vacant properties and place-based poverty. Responsible builders and financers are once again giving lower-income and post-crisis areas a chance.

Challenges remain, but we believe the momentum is finally turning in our favor. And to do our part, we continue to reshape our own approach. The following principles are driving our holistic development of new opportunities:

While the built environment is still critical to community health, our investments must also be people focused. We must ensure that our housing developments are not just well-made, but that we support the families who call them home; that our economic development is tied to workforce development; and that our financing of education facilities is done with the needs of students and their communities in mind.

While we must continue our work with long-term partners, we must also foster new collaborations. Our investments must go hand-in-hand with strategic planning, local research, policy, and community organizing. We must tie construction projects to job creators; homes to affordable mortgage originators and housing counselors; and economic developments to providers of health, education, and the arts.

While our longstanding investments and financial partners remain the foundation of our strength, we must expand to incorporate new resources across sectors. We must harness our access to innovative financial products and major new federal programs like the CDFI Bond Guarantee Program to expand our capacity to invest in large-scale change at the community level.
Our process of innovation and transformation is well underway. Our **Neighborhood Prosperity Fund** continues to blend a wide range of capital sources to provide longer-term lending to high-impact affordable housing developments. Our **THRIVE South Jersey** initiative is generating new capital and cultivating workforce development opportunities to spur economic recovery across South Jersey. Our **Address Yourself** collaboration is now offering affordable mortgages to aspiring homebuyers who lack access to conventional loans. **CAPC**, our real estate arm, is expanding to new geographies, training local contractors, and expanding into rental housing management to fulfill a growing need for affordable rental housing. Our **ReStart** program continues to modify mortgages and prevent foreclosures at a large scale. Finally, our **Community Strategies Initiative** is helping public and nonprofit leaders develop new strategies and resources for reducing vacant properties and creating new community assets.

Through these efforts—and through the work of our partners across the state—we are together ready to play a bigger role in reshaping our state into a place of *renewed opportunity* for those in need.

Sincerely,

Wayne T. Meyer, President

Dudley Benoit, Board Chair
Our Year, by the Numbers

Who We Serve

New Jersey Community Capital (NJCC) serves low-to-moderate income individuals and distressed communities across New Jersey. NJCC was founded in 1987 as a small affordable housing lender focused on Trenton and Newark communities. Over the years, we have expanded our focus to serve communities across all 21 counties, offering a variety of services to best address the specific needs of each community.

In 2015, NJCC supported projects and programs that served 5,218 New Jersey residents across the state.

5,218 people impacted
5,218 people impacted

$53 MM financing deployed

669 homes redeveloped

Supporting over $151 MM in investments across the state

2,024 jobs created or retained

1,523 education seats created or retained

276,203 S.F. real estate developed
More than a Head Start
Early Care Lending
Jersey City

Jersey City is home to almost 20,000 children under the age of 5, but at the onset of 2015, it was not home to one licensed Early Head Start classrooms for children ages 0 to 3. Now, it boasts one that will be a model for many others to come, all thanks to the drive of a few innovative people, the creation of a new public-private partnership, and the right investments from the right sources.

In 2010, Pennrose Development partnered with the Jersey City Housing Authority to begin a 277-unit mixed-income development. Pennrose embraced a requirement to incorporate an early care center into the project, setting aside two floors of one of the residential buildings—all they needed was a program manager. It just so happened that Greater Bergen Community Action (GBCA) had recently been awarded federal funding to lead a National Head Start Pilot Program in Jersey City, one of five cities selected.

The mixed-use project received a slate of public and private investments, but one thing was missing: long-term funding for the Head Start Center. NJCC teamed up with nationally renowned Enterprise Community Loan Fund to invest $4.5 million of permanent financing into the project, enabling the project partners to meet the needs of low-income Jersey City families.

Now, at the new A. Harry Moore Head Start Center, GBCA is providing quality early care in state-of-the-art facilities to 116 local children from ages 0 to 5. It also provides prenatal care, mental health services, nutritional care, and education to parents. Finally, GBCA is co-locating a branch of its 1st Bergen Credit Union onsite, offering local residents high-quality financial services. A model for a Head Start indeed.

“Many lenders do not understand our balance sheets and do not want to go through the brain damage of figuring it out. NJCC was willing to take a hard look, understand us, and step outside the box. The ripple effect of this project will be huge for Jersey City, and NJCC has presented us with opportunities for program expansion that never would have occurred without its partnership.

Bob Halsch, Executive Director, Greater Bergen Community Action
Still Home for the Holidays

Our home is perfect for us, and the thought of having to uproot ourselves and move again was a major stress. When CAPC offered to purchase our house, I could finally get a good night’s sleep. Just having the opportunity to stay in the house and having the option to buy it back is a blessing.

Karen, North Plainfield
For Karen and her family, it was one hurdle after another. Their challenges began when an electrical fire displaced them from Karen’s childhood home in East Orange. Five years passed before Karen and her husband Darryl finally found a fresh start on a quiet block of North Plainfield, where they bought a new home for themselves, their three daughters, and two of their nieces. But several years later, Karen and Darryl both lost their jobs in the recession and fell behind on their mortgage. Each time they pursued a modification, the mortgage was sold to a new company, and they had to start over. Then Sandy flooded their basement, leaving them with severe damage.

Like many hardworking New Jersey families, the dream of homeownership had become a nightmare for Karen and Darryl. Facing a foreclosure, they put the house up for sale in April.

They never could have guessed that the eventual buyer would want nothing more than to help them stay in place. CAPC, equipped with the resources to purchase the home and to manage it as a rental property, offered the couple an affordable rent and the maintenance services of a traditional landlord.

Soon, Karen believes that they will be ready to repurchase the home. For now, they are simply happy to be there. For Thanksgiving, they hosted 25 family members. And when the kitchen sink clogged up just a few days before, CAPC’s management team was there to fix it in time for the big holiday.
Our team turned to NJCC because they have a philosophical alignment with our efforts to create employment and commercial opportunities for the Paulsboro community, and they joined us in our leap of faith. The way in which NJCC has worked with the developers, the State, and the community has been exemplary.

Robert English, Project Consultant, Paulsboro Plaza
Mixed-Use Economic Development
Paulsboro

For over a decade, Paulsboro Plaza sat vacant and dilapidated, a symbol of the hardship and lost opportunities that many working-class South Jersey communities have faced since the economic crisis. But hope is finally returning to the riverfront borough of 6,000: after years of economy-wrought delays, the expansive Port of Paulsboro will finally reopen in early 2016, creating over 800 jobs. And in accord, construction vehicles have returned to Paulsboro Plaza too.

By August, the one-time town center will house Paulsboro’s only supermarket and several Port-focused small businesses—over 37,000 square feet of commercial space in all. Not long after, the site will include 120 high-quality senior housing units to meet the needs of Paulsboro’s aging population and ensure the project maintains steady income over time. Meanwhile, the lead developers, Lindsay-Ore LLC, are partnering with state and county workforce training programs and Paulsboro public schools to ensure that local youth can access the site’s 70 new job opportunities.

After five years of planning and preparing for market recovery, Lindsay-Ore looked to NJCC to provide the $3.3 million in financing to move Paulsboro Plaza forward. NJCC partnered with NeighborWorks Capital to share financing duties, and the partners stuck with their commitment through Lindsay-Ore’s lengthy process of securing a 10-year project grant from the State. Without this perseverance, the project would not have gained the resources it needed to advance.

Through its new THRIVE South Jersey program, a fund seeded with $4.1 million from the Pascale Sykes Foundation, NJCC expects to invest in many more economic and working-class job opportunities across the South Jersey region. Its timing could not have been better.
From Recovery to Expansion
Small Business Lending
Asbury Park

Since opening its doors in 2010, DJ’s Delights has become an Asbury Park hub. The downtown deli and catering service is a place where loyal customers keep their spare keys, have packages left for pick-up, hold neighborhood meetings, and share their names and stories with the two men who run the show, Ron Wendolowski and Dwayne Presto. Ron says that people call DJ’s the “Cheers of Asbury Park.”

In the aftermath of Superstorm Sandy, DJ’s lost power for almost three weeks, costing the business its entire food inventory and thousands of dollars in lost revenue. If not for a rapid loan from REBUILD New Jersey, NJCC’s disaster recovery loan fund, DJ’s may not have been able to bounce back from the loss.

Yet even then, the co-owners were already thinking beyond recovery. Ron and Dwayne realized after the storm that many of their patrons needed a grocery market within walking distance, and that it was a need they could fill. So they came to NJCC for a second loan, and within the year, DJ’s was selling quality produce and goods to residents and visitors.

In seeing past a difficult time and recognizing the opportunities ahead, DJ’s showcased the resolve for which community-based small businesses are known. The market exceeded expectations, and 2015 was DJ’s most profitable year to date. Meanwhile, DJ’s opened a new location at Asbury Tower—an affordable 350-unit senior center—and now delivers meals to residents’ doors. Once again, DJ’s turned to NJCC to provide the capital it needed to grow. Now, Dwayne and Ron have even more names to remember.

Being a small business owner is not easy, and we know from experience that it is very difficult to get funding from banks. So it is great to have a resource like NJCC to support the community and help small business owners thrive. We trust them, and we will continue to look to them as we seek new opportunities to grow.

Ron Wendolowski, Co-Owner, DJ’s Delights
Invest in us

Investing in NJCC

Over the course of our 27-year history, we have invested over $500 million in distressed areas of the state, leading to new opportunities for positive change for tens of thousands of New Jersey residents.

To make these critical investments, we rely on contributions from socially responsible investors. Without this support from individuals, corporations, foundations, and religious organizations, many of the homes, schools, and businesses we finance would remain underserved.

Investments into NJCC’s loan funds range in terms and in interest rates in order to meet the goals of its investors. NJCC has a 100 percent rate of repayment on investments it has received.

To learn more about investing in NJCC, contact Jeffrey Yuen, NJCC’s Director of Resource Development, at 732-640-2061 x409 or jyuen@njclf.com. Or visit our website at newjerseycommunitycapital.org.

Investors

Community Loan Fund of New Jersey, Inc.
Anonymous
Annie E. Casey Foundation
Amboy Bank
Atlantic Stewardship Bank
Bank of America
Jacqueline & David M. Baranowski
Amanda P. Blagman
David & Marsha Bloomberg
Michael Bloomberg
Capital One Bank
Catholic Health Initiatives
Cenlar Federal Savings Bank
City National Bank of New Jersey
Clifton Savings Bank
Community Development Financial Institutions Fund
Customers Bank
Bruce H. Davidson
Paul T. Dermody
Dignity Health
Eisenhart Fund (Episcopal Diocese of New Jersey)
Episcopal Diocese of New Jersey
Episcopal Diocese of Newark
Candace A. & James B. Faunce
1st Constitution Bank
First Choice Bank
Fulton Bank of New Jersey
Lenore Goldberg
Grace Lutheran Church
Edward J. Gracely
Robert C. & Margret K. Graham
Grand Bank
Steven M. Hadley
Susanne C. Hand
Vicki Cervino-Henn
Patricia Holland
Hopewell Valley Community Bank
Investors Bank
Marion Jackson
JPMorgan Chase Bank, N.A.
Juniper Creek Partners LLC
Haig F. & Carol Kasabach
Milton L. & Dorothy C. Keenan
Patrick J. Kelly
Lakeland Bank
Paul & Carla Lerman
M&T Bank
Anne S. Li & Edward Muldoon
Living Cities Catalyst Fund, LLC
Carl H. Malmstrom
Mary O. Borden Foundation
Patricia B. Masi
Norman and Jane Melofsky
Katharine E. Merck
Mercy Investment Services, Inc.
MetLife Bank, N.A.
In the center of the page, there is a list of organizations, individuals, and financial entities. Here is the list as it appears in the document:

**Community Lending Partners of New Jersey, Inc.**
- Amboy Bank
- Bank of America
- Community Loan Fund of New Jersey, Inc.
- HSBC Bank USA, N.A.
- PNC Bank, N.A.
- Santander Bank
- Metropolitan Life Insurance Company

**Community Asset Preservation Corporation**
- Community Housing Capital, Inc.
- Annie E. Casey Foundation
- Cornerstone Partnership
- Ford Foundation
- UrbanLIFT

**NMTC Fund**
- PNC Community Partners, Inc.
- TD Bank, N.A.

**Investors in Camden Power Program**
- City of Camden
- County of Camden
- United States Department of Energy
- Economic Recovery Board of Camden
- New Jersey Community Capital

**Grantors**

**Individuals**
- Dudley Benoit
- Ellen Brown
- Henry A. Coleman
- M. Pilar Hogan Closkey
- Candace A. & James B. Faunce
- Steven M. Hadley
- Vicki Cervino-Henn
- Haig F. and Carol Kasabach
- Carl H. & Catherine Malmstrom
- Marie Mascherin and Ernie Cerino
- Patricia B. Masi
- Jane Navarria
- Wayne T. Meyer
- Patrick Morrissy & Jean Campbell
- Preston D. Pinkett III
- Alle Ries
- Michelle Richardson
- Natalie Erin Roberts
- Kenneth Zimmerman

**Financial Institutions**
- Bank of America
- CTBC Bank Corp
- Clifton Savings Bank, SLA
- HSBC Bank USA, N.A.
- JPMorgan Chase
- PNC Bank, N.A.
- RSI Bank
- Roselle Savings Bank
- Santander Bank
- Valley National Bank
- Wells Fargo Bank, N.A.
- Woori America Bank

**Government**
- Community Development Financial Institutions Fund

**Foundations**
- Affinity Foundation
- The Amboy Foundation
- The Bank of America Charitable Foundation, Inc.
- Capital One Foundation
Citi Foundation
Garfield Foundation
Investors Foundation
JPMorgan Chase Foundation
Kresge Foundation
MetLife Foundation
Open Society Institute
Pascale Sykes Foundation
PNC Bank Foundation
Princeton Area Community Foundation Inc.
TD Charitable Foundation
The Hyde and Watson Foundation
Victoria Foundation
Wells Fargo Foundation

Nonprofit Organizations
Hurricane Sandy New Jersey Relief Fund

Religious Institutions
Grace Lutheran Church
New Jersey Synod of Evangelical Lutheran Church in America

Corporations
American Red Cross
CitiWorks Inc.
Discover Financial Services
McMaster-Carr Supply Company
NeighborWorks® America
Opportunity Finance Network
SureTech.com

Borrowers
Teachers Village Project B QALICB Urban Renewal Entity, LLC
TDAF I Springfield Avenue Holding Urban Renewal Co., LLC
Jewish Renaissance Community Development Corporation
Affordable Housing Alliance, Inc.
180 North 16th Street Owners, LLC
Dekbon Community Development Corporation
Commercial Broad Street LLC
Dental Kidz, LLC
Hilin Life Products, Inc.,
AHM IV School, LLC
Bogart Commerce Urban Renewal, LLC
Jersey City Global Charter School
ValleyArts, Inc.
DJ’s Delights, LLC
College Achieve Central Charter School
Respond, Inc.
Bayway Marina, Inc.
Kingdom Charter School of Leadership
Beloved Community Charter School
Lofts @ Lincoln Park Urban Renewal, LLC
Orange Condominium Urban Renewal, L.P.
Homes of Montclair Ecumenical Corp
A&A Construction, Inc.
Garden State Episcopal Community Development Corporation

Community Asset Preservation Corporation
Leaguers, Inc.
Rose Urban Renewal, LLC
Housing and Neighborhood Development Services (HANDS)
Essex Community Land Trust
CAPC Asset Stabilization Fund #1, LLC
CDIP-Paulsboro Summit, LP
Ascension Capital Partners I, LLC,
Salt & Light Company, Inc., The
United Community Corporation
Ujima Ministries, Inc.

Board of Directors
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Henry Coleman, Secretary | Rutgers University
Carl Malmstrom, Treasurer | Retired, Venture Investment Associates
Yashuhiro Akiyama | Prudential
Ellen Brown | The Doll loft
Pilar Hogan Closkey | St. Joseph’s Carpenter Society
Gregg B. Gunselman | JPMorgan Chase
Wayne T. Meyer | New Jersey Community Capital
Patrick Morrissy | HANDS, Inc.
Michelle E. Richardson | Hudson County Department of Parks & Community Services
Kenneth Zimmerman | Open Society Foundations

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Luke Apicella | Prudential
Norman Burroughs | PNC Bank
Paige Carlson-Heim | TD Bank
Henry Coleman | Rutgers University
Etta Denk | Bank of America
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Wayne T. Meyer | New Jersey Community Capital
Dede Meyer | Federal Reserve Bank of Philadelphia
Wanda Speight | Opportunity Finance Network

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James M. Zullo | Elijah’s Promise
Alex Forrester | Rising Tide Capital
Bob Guarasci | New Jersey Community Development Corporation
Yuki Moore Laurenti | Isles
Patrick Morrissy | HANDS, Inc.
Alle Ries | La Casa de Don Pedro
Thank You for Supporting Our Silver Jubilee

New Jersey Community Capital has remained deeply committed to a core vision of strengthening low-income neighborhoods across the State and ensuring that all communities have the opportunity to learn and flourish. Since inception in 1987, our organization has steadily expanded its strategies and reach, and now provides tens of millions of dollars in capital to low-income communities each year. With a growing network of partners and investors, and a dedicated staff of community development professionals, we continue to seek new ways to advance our mission and to move New Jersey forward. Thank you to all our guests for attending the celebration of this milestone with us, and to our sponsors who helped make this event possible.

Gold
JPMorgan Chase
Prudential
Affinity Federal Credit Union

Silver
Bank of America
CTBC Bank
Gibbons P.C.
SureTech
TD Bank
Valley National Bank
Wells Fargo

Bronze
Borden Perlman
Salisbury & Kelly
C+C Architecture
City National Bank
Devino Architects + Associates
Duane Morris
Housing & Community Development Network of New Jersey
Stuart B. Klepesch, Esq.
Lakeland Bank
Morgan Stanley
Morris Home Title Agency
NeighborWorks America
New Jersey Housing & Mortgage Finance Agency
PNC Bank
Rose Homes
Neal M. Ruben, Esq.
NJCC partners with Affinity Federal Credit Union and CUMAnet to form Address Yourself, an innovative platform to prepare low- and moderate-income families for homeownership.

NJCC partners with the Pascale Sykes Foundation to create THRIVE South Jersey, an initiative to expand economic and workforce development in Cumberland, Gloucester, Salem, and Western Atlantic counties.

NJCC’s Community Strategies Initiative releases its Trenton neighborhood assessment, a collaborative and comprehensive report on conditions in each neighborhood of Trenton that will guide local strategies, policies, and investments.

REBUILD New Jersey, NJCC’s disaster recovery loan program, closes its 50th small business loan helping Cape May’s Bayway Marina cover its rebuilding costs.

A look back at 2015
NJCC is awarded $50 million in New Markets Tax Credits to spur economic growth and job creation in low-income cities and communities.

NJCC’s Gap Funding Initiative funds its 500th award to a Sandy-impacted family to cover the remaining costs to restore their home and return to normalcy.

NJCC receives $28 million from the CDFI Bond Guarantee Program part of a significant expansion in its management of affordable single-family rental housing.

NJCC’s ReStart Home Preservation Program purchases 68 mortgages in Tampa where it is modeling a strategy for the large-scale prevention of displacement for the many families that continue to suffer as a result of the foreclosure crisis.

CAPC begins construction on the first of 52 properties it will redevelop in Sandy-impacted areas part of a significant expansion in its management of affordable single-family rental housing.

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Financial Statements
### Statement of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>September 30, 2015</th>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 17,908,499</td>
<td>$ 14,317,694</td>
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<tr>
<td>Invested Assets</td>
<td>20,192,105</td>
<td>20,647,476</td>
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<td>Loans Receivable, Net</td>
<td>35,894,237</td>
<td>34,228,270</td>
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<tr>
<td>Interest Receivable</td>
<td>511,515</td>
<td>443,196</td>
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<tr>
<td>Grants Receivable</td>
<td>2,288,000</td>
<td>2,000,025</td>
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<tr>
<td>Program Related Investments</td>
<td>7,557,378</td>
<td>9,050,438</td>
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<tr>
<td>Property Held for Sale</td>
<td>18,118,259</td>
<td>10,962,214</td>
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<td>Other Property and Equipment, Net</td>
<td>7,800,395</td>
<td>10,172,729</td>
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<tr>
<td>Other Assets</td>
<td>3,787,800</td>
<td>2,361,265</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 114,058,188</strong></td>
<td><strong>$ 104,183,307</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
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<tr>
<td>Interest and Other Payables</td>
<td>$ 1,551,551</td>
<td>$ 1,557,683</td>
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<td>Funds Held in Trust</td>
<td>10,077,729</td>
<td>10,172,257</td>
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<td>Notes Payable</td>
<td>63,673,722</td>
<td>55,511,758</td>
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<td>EQ2 Investments</td>
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<td>Mortgage Payable</td>
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<td>Net Assets</td>
<td>36,755,186</td>
<td>31,897,154</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$ 114,058,188</strong></td>
<td><strong>$ 104,183,307</strong></td>
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### Statement of Activities

<table>
<thead>
<tr>
<th>Revenues</th>
<th>September 30, 2015</th>
<th>September 30, 2014</th>
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<tbody>
<tr>
<td>Interest Income</td>
<td>$ 2,371,385</td>
<td>$ 2,619,309</td>
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<td>Investment Income and Gains</td>
<td>674,862</td>
<td>1,325,565</td>
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<td>Grants</td>
<td>10,658,100</td>
<td>4,774,372</td>
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<td>Program Income and Fees</td>
<td>3,274,667</td>
<td>3,732,483</td>
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<td>Other Income</td>
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<td>331,962</td>
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<td><strong>Total Revenues</strong></td>
<td><strong>$ 16,979,014</strong></td>
<td><strong>$ 12,783,691</strong></td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<tbody>
<tr>
<td>Interest Expense</td>
<td>$ 1,630,777</td>
<td>$ 1,598,474</td>
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<tr>
<td>Program Services</td>
<td>6,896,738</td>
<td>6,266,294</td>
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<tr>
<td>Management and General</td>
<td>704,542</td>
<td>754,245</td>
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<tr>
<td>Fund Raising</td>
<td>408,877</td>
<td>468,909</td>
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<td>Provision for Loan Loss</td>
<td>419,200</td>
<td>273,692</td>
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<tr>
<td>Other Expenses</td>
<td>2,060,848</td>
<td>0</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 12,120,982</strong></td>
<td><strong>$ 9,361,614</strong></td>
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</tbody>
</table>

| Increase in Net Assets         | $ 4,858,032          | $ 3,422,077          |