REINVESTMENT FUND

Reinvestment Fund, Inc.
1700 Market Street, 19th Floor | Philadelphia, PA 19103
215-574-5800

PROSPECTUS

INFORMATION ON PROMISSORY NOTES
$7,000,000

Promissory Notes

1.75% with a three to four year term

2.25% with a five to six year term

2.75% with a seven to nine year term

3.50% with a ten to fourteen year term

4.50% with a fifteen year term

ANY INVESTOR MAY ELECT TO EARN LESS THAN THE MAXIMUM RATES POSTED ABOVE.
The Promissory Notes are offered in principal amounts of a minimum of $1,000 and are subject to automatic reinvestment if an investor fails to elect to have the principal amount of such investor's Promissory Notes repaid at maturity. See "Description of the Promissory Notes" Beginning on page 10.

This Prospectus contains important information about The Reinvestment Fund, Inc. (the "Fund") and the Promissory Notes it is offering to issue. Prospective investors are advised to read this Prospectus carefully prior to making any decisions to invest in the Promissory Notes.

The Fund is a non-profit corporation and has received a determination letter from the U.S. Internal Revenue Service granting it tax exempt status as a charitable organization under Section 501(c)(3) of the Internal Revenue Code.

The offer and sale of these Promissory Notes has not been registered with the U.S. Securities and Exchange Commission in reliance upon the exemption from registration contained in Section 3(a)(4) of the Securities Act of 1933, as amended.

No state securities commission, or other regulatory authority, has approved or disapproved of the Promissory Notes hereby offered, or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Promissory Notes are not insured by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation or any other government agency.

Investing in the Promissory Notes involves significant risks. See "Risk Factors" on pages 4-10 of this Prospectus for some of the risks regarding an investment in the Promissory Notes. You should carefully consider such risks before investing in the Promissory Notes. Pennsylvania residents have a two-day right of withdrawal. See "Withdrawal Rights" on page 26.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any security other than the Promissory Notes offered hereby, nor does it constitute an offer to sell or the solicitation of an offer to buy such Promissory Notes by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so.

Neither the delivery of this Prospectus nor any sale made hereunder shall create, under any circumstance, any implication that there has not been any change in the affairs of the Fund and other information contained herein since the date of this Prospectus.

Prospective investors should not construe the contents of this Prospectus or any prior or subsequent communications from or with the Fund as legal or professional tax advice. The offeree receiving this Prospectus should consult its own counsel, accountant or business advisor, respectively, as to legal, tax and other matters concerning the purchase of the Promissory Notes.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF PROMISSORY NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

The payment of principal and interest to an investor in the notes is dependent upon the issuer's financial condition. Any prospectus investor is entitled to review the issuer's financial statements, which shall be furnished at any time during business hours upon request.

The Fund will make available to any prospective investor, prior to their purchase of any Promissory Note, the opportunity to ask questions of and to receive answers from representatives of the Fund concerning the Fund and the terms and conditions of the offering hereunder and to obtain any additional relevant information to the extent the Fund possesses such information or can obtain it without unreasonable effort or expense. Except for such information that is provided by authorized representatives of the Fund in response to requests from prospective investors or their advisors, no person has been authorized in connection with the offer or sale of the Promissory Notes to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon.

The date of this Prospectus is August 7, 2017

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ADDITIONAL INFORMATION AVAILABLE

A registration statement with respect to the Promissory Notes being offered has been filed with the PA Department of Banking and Securities. The registration statement contains exhibits which are only summarized or referred to in this Prospectus. These additional materials are available for inspection at the office of the PA Department of Banking and Securities, 17 N Second Street, Suite 1300, Harrisburg, Pennsylvania 17101-2290 office hours Monday through Friday 8:30 a.m. – 5:00 p.m. telephone 717-787-8061 or at the Fund's office at 1700 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103, during regular business hours.

SUMMARY

This summary does not contain all of the information you should consider before investing in the Promissory Notes. You should carefully read this Prospectus in its entirety, especially the "Risk Factors" section beginning on page 4 and the Fund's consolidated financial statements and the related notes and supplementary information included with this Prospectus, before investing in the Promissory Notes.

The Fund. The Fund is a Pennsylvania non-profit corporation organized for financing housing; community facilities, such as schools and community health centers; healthy food access; commercial real estate; business development and sustainable energy projects using loan, equity and other financing tools. The Fund seeks to raise funds through the issuance of Promissory Notes, representing loans from investors. See "Reinvestment Fund, Inc."

Use of Proceeds. The Fund expects that approximately $3,500,000 of the $7,000,000 of Promissory Notes offered pursuant to this Prospectus will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, the Fund only expects to receive up to $3,500,000 in new cash proceeds from the sale of the Promissory Notes. The Fund intends to use the proceeds from the issuance of the Promissory Notes to make loans to and/or equity investments in organizations and businesses working to alleviate poverty and build wealth as well as create economic opportunity for low-wealth communities and low- and moderate-income individuals across the country. The Fund intends that such borrowers/investees will be active in areas such as housing, community resources, education, commercial enterprise, food commerce, sustainable energy, and community health centers. Proceeds may also be used to enable the Fund to make loans to or provide guarantees on behalf of its affiliates. See "Fund Affiliates" and "Use of Proceeds."

Management of the Fund. The Board of Directors (the "Board") supervises the Fund. The Board meets at least three times per year and currently consists of 13 members. For the most recent year ended December 31, 2016, the full Board met four times. Donald R. Hinkle-Brown, Jr. serves as President and Chief Executive Officer of the Fund. See "Management of the Fund."

Description of the Promissory Notes. Each investor will receive a Promissory Note as evidence that the named investor has made a loan of a specific amount to the Fund. The Promissory Notes are offered in principal amounts of a minimum of $1,000. Interest on the loan shall be due and payable annually on the date specified on the Promissory Note. Unless an investor timely elects to receive payment in full of the principal amount of its Promissory Note upon maturity, the entire amount of the loan shall be renewed for the same duration as the original loan and the renewed loan shall be on the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Fund is selling at such time under the Fund's prospectus then in effect. The Promissory Notes are unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's operations or financial condition. There is no public market for the Promissory Notes, and it is highly unlikely that a public market will develop. Therefore, investors in the Promissory Notes should realize that these investments will be very illiquid and must be prepared to hold the Promissory Notes until the stated maturity of such notes. See "Description of the Promissory Notes."

REINVESTMENT FUND, INC.

The Fund is a catalyst for change in low-income communities. Its mission is to build wealth and economic opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. In pursuit of this mission, the Fund integrates data, policy and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, it brings high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access to these resources – creating anchors that attract investment over the long term and help families lead healthier and more productive lives.

The Fund is a Pennsylvania non-profit corporation that was formed on February 4, 1985. It is organized as a non-profit corporation within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Fund is supervised by a Board. See "Management of the Fund."

The Fund is a certified Community Development Financial Institution (CDFI). CDFI certification is the U.S. Department of the Treasury's recognition of specialized financial institutions serving low-income communities. Certified CDFIs are qualified to apply for technical assistance and financial assistance awards, as well as training provided by the U.S. Department of the Treasury's CDFI Fund through its Capacity Building Initiative.

The Fund is also certified as a Community Development Entity ("CDE") by the U.S. Department of the Treasury. A CDE is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in low-income communities. Certification as a CDE allows organizations to participate either directly or indirectly in the New Markets Tax Credit (NMTC) program.

Certification as a CDFI and CDE allows the Fund access to the U.S. Department of the Treasury CDFI Fund's competitive award programs, which include the Capital Magnet Fund, CDFI Bond Guarantee Program (CDFI Bond Program), Community Development Financial Institutions Program, Native Initiatives and the NMTC program. Through its tailored resources and innovative programs, the CDFI Fund invests federal dollars alongside state, local, and private sector capital to support economically disadvantaged communities.

The Fund is among only a handful of CDFIs to carry a rating from S&P Global Ratings (S&P), from which the Fund has an investment grade "AA" rating. This rating was first issued in 2015 and reaffirmed with a stable outlook in 2017.

Capital sources of the Fund. The capital of the Fund comes from diverse sources including, monies received from loans evidenced by the issuance of Promissory Notes. Other funding sources include government agencies, financial institutions, individuals, foundations, and faith-based or civic organizations.

Recent significant debt-capital events include the following:

- The Fund raised $130 million in capital commitments through two rounds of bond issuances through the U.S. Department of the Treasury's CDFI Bond Program. The bonds (principal and interest) are 100% guaranteed by the United States government. The Federal Financing Bank, a U.S. government corporation that ensures the efficient use of federal financing, is the sole purchaser of bonds issued under the program. The Fund was awarded $55 million in bond loan commitments in September 2014 and $75 million in July 2016. The program is designed to help channel new and substantial capital into the nation's most distressed communities by providing access to long-term credit at below-market interest rates. Borrowings under the CDFI Bond Program are secured primarily by loans made to the Fund's borrowers from proceeds of the program with first priority liens on collateral with a maximum loan-to-value ratio of 70% to 80% and are required to be over-collateralized.

- The Fund has received multiple awards under the NMTC program. To date, the Fund has received eight NMTC awards totaling $473.4 million in allocation authority. The NMTC program attracts private capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries like the Fund. Using the capital from these equity investments, the Fund makes loans and investments to businesses operating in low-income communities on better rates and terms with more flexible features than the market would otherwise provide.

- In 2014, the Fund was granted membership to Federal Home Loan Bank of Pittsburgh. Chartered by Congress in 1932 to support mortgage lending, Federal Home Loan Banks ("FHLBs") lend to organizations that support housing finance and community development. In 2008, FHLBs opened their membership to U.S. Department of Treasury-certified CDFIs. As of December 1, 2015, the Federal Reserve Bank of Atlanta reported that there were 38 CDFI loan fund members in the Federal Home Loan Bank system.

The rates and terms of the Promissory Notes being offered are set forth on the cover page of this Prospectus. The Board reviews these rates and terms periodically and may issue Promissory Notes in the future containing different rates and terms.

Each investor and the Fund will enter into a loan agreement in substantially the form set forth on Exhibit A. The Fund will issue a Promissory Note to the investor in substantially the form set forth on Exhibit B, and the investor will remit funds to the Fund in the form of a wire, automated clearing house ("ACH"), or check payable to "Reinvestment Fund, Inc." for the amount due under the Promissory Note.

Loan proceeds not immediately disbursed by the Fund, or maintained for liquidity or reserves, are managed by professional investment advisors. The investment advisors, in accordance with the Fund's investment policy, invest such proceeds in investment grade debt securities, primarily obligations issued by the U.S. government or its agencies which include mortgage backed securities, certificates of deposit, overnight repurchase agreements collateralized by direct obligations of the U.S. government, prime commercial paper rated A1/P1 or better, or corporate debt obligations rated investment grade or better. The investment advisors make all investment decisions based on certain investment objectives and policies approved by the Board.

The Fund makes loans to and investments in organizations and businesses. The Fund's principal focus is lending funds to and investing funds in organizations and businesses working to build wealth and create economic opportunity for low- and moderate-income people and places. The Fund's lending and community investment program supports projects with diverse community impact such as: housing, community resources, education, food commerce, commercial enterprise, and healthcare. The Fund has long viewed environmentally responsible investment as core to its mission. In support of these efforts, the Fund has financed wind farms, solar power projects, energy-efficient buildings, and local food systems among other projects.

The Fund's staff screens loan and investment applications from prospective borrowers/investees, including both non-profit and for-profit organizations. The Board has authorized specific lending staff of the Fund, based on experience and expertise, to approve loans and investments within specific guidelines set by the Board, with a Loan Committee of the Board (as defined below) approving or disapproving all other proposed loans and investments. See "Lending Factors and Procedures."

The Fund expects to make both long- and short-term loans. Interest rates on loans originated by the Fund will vary, depending on conditions set by the Fund, the priorities of the Fund, the type of loan, prevailing market conditions, and the risk associated with the loan. Loans will not be made when it is clear to the Fund that the applicant would be unable to repay a loan or does not meet the Fund's underwriting standards. In addition, the Fund has the discretion to determine what collateral, if any, is appropriate for securing a loan. The Fund, at its discretion, imposes

terms that provide security for repayment to protect its investment. The Fund monitors the loans for timely repayments and compliance based on terms outlined in the borrower loan agreement. Remedies include default, foreclosure or judgment liens. See "Lending Factors and Procedures."

Funding for Operational Expenses. Historically, the Fund's sources of revenue include net interest earnings, loan fees, NMTC placement and servicing fees, asset management fees, consulting fees, as well as grant support from foundations/public sector entities and individual donations. The nature and extent of these revenue sources in the future will impact the Fund's ability to fund its operating budget.

Corporate Structure. The corporate structure of the Fund is designed to provide the Fund with the ability to diversify the types of projects in which it makes loans and investments, and to maximize the amount of such loans and investments. The Fund's corporate structure is attached as Exhibit C. See "Fund Affiliates and Related Entities."

RISK FACTORS

ANY INVESTMENT IN THE PROMISSORY NOTES INVOLVES A NUMBER OF SIGNIFICANT RISKS, AND IS SUITABLE ONLY FOR PERSONS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT AND WHO REALIZE THAT THERE IS A SIGNIFICANT RISK OF LOSS OF THEIR ENTIRE INVESTMENT. A PROSPECTIVE INVESTOR SHOULD CONSIDER THE RISKS AND UNCERTAINTIES DESCRIBED BELOW AND ALL OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE INVESTING IN THE PROMISSORY NOTES.

1. Economic Environment. The Fund's business and its ability to repay the Promissory Notes may be adversely affected by the future economic environment. During economic slowdowns or recessions there is a greater likelihood that more of the Fund's customers or counterparties will be unable to repay their obligations at stated terms and maturities and could require the Fund to extend the payment period of borrowers' loans. Additionally, the Fund's customers could become delinquent on their loans or other obligations to the Fund, which, in turn, could result in a higher level of charge-offs and provision for credit losses, all of which would adversely affect the Fund's income and ability to repay the Promissory Notes. Furthermore, a poor economic environment may also make it more difficult for the Fund to maintain its new loan and lease origination volume and the credit quality of such loans, leases and investments at levels previously attained which could also result in a higher level of charge-offs and provision for credit losses.

In the year ended December 31, 2016, the Fund experienced continued low levels of delinquencies (60+ days delinquent) with 0.0% at December 31, 2016 and 0.1% at December 31, 2015. Loans on non-accrual increased from $3.5 million at December 31, 2015 to $9.6 million at December 31, 2016 and troubled debt restructurings ("TDRs") rose from $4.1 million at December 31, 2015 to $9.7 million at December 31, 2016.

From 2009 through 2012, the performance and credit quality of the Fund's portfolio suffered due to overall adverse economic conditions including high unemployment and distressed real estate markets, but as external conditions have improved, portfolio quality has recovered.

During this most recent recession, the percentage of loans on non-accrual increased significantly to almost 11.0% at June 30, 2010 and delinquent loans increased to over 6.0% in the same time period. Subsequently, credit quality and loan performance has improved. As of December 31, 2016, loans on non-accrual totaled 2.9% and delinquent loans totaled 0.0% of total loans receivable.

The following table sets forth information regarding delinquencies of the Fund's loan receivable portfolio.

	2012			2013			2014			2015			2016		
Days Past Due	Loan amount	% of Loan amount	# of Loans	Loan amount	% of Loan amount	# of Loans	Loan amount	% of Loan amount	# of Loans	Loan amount	% of Loan amount	# of Loans	Loan amount	% of Loan amount	# of Loans
Current	$168,943	94%	201	$180,335	93%	199	$222,136	95%	204	$291,340	99%	230	$323,849	97%	245
1-30 days	7,566	4%	16	7,823	4%	11	10,192	4%	8	3,654	1%	5	8,337	3%	5
31-60 days	31	0%	1	930	0%	4	1,026	0%	2	25	0%	1	28	0%	1
61-90 days	120	0%	1	-	0%	-	-	0%	-	-	0%	-	-	0%	-
90+ days	3,991	2%	9	3,783	2%	8	-	0%	-	306	0%	1	-	0%	-
Total	180,651	100%	228	192,871	100%	222	233,354	100%	214	295,325	100%	237	332,214	100%	251

The Fund's provision for loan and lease losses totaled $2.2 million and $2.4 million for the years ended December 31, 2016 and 2015, respectively. The Fund's allowance for loan and lease losses totaled $17.9 million (5.4% of total loans and leases receivable) at December 31, 2016 as compared to $16.1 million (5.4% of loans and leases receivable) at December 31, 2015.

2. Credit Market. The Fund is and will continue to be dependent upon the availability of credit from financing sources in order to conduct its business and to satisfy its working capital needs. Current conditions in the credit market have caused certain creditors to require secure financing which has reduced the Fund's cost of funds but has also constrained the Fund's overall capacity to obtain financing by reducing the Fund's ability to obtain credit from unsecured financing sources. This trend may continue or worsen in the future. As a result, the Fund may be unable to obtain additional financing on acceptable terms or at all. If the Fund is unable to obtain additional financing or if any of the Fund's current credit facilities become unavailable on acceptable terms or at all, the Fund may not have access to the funds it requires to pay its debts as they come due or to continue to make new loans, leases and investments, which would limit the Fund's ability to generate income. Similarly, if necessary financing becomes unavailable on acceptable terms, or not at all, to the Fund's borrowers and other counterparties, such parties may be unable to repay their loans and satisfy their other obligations to the Fund as they come due, which could adversely affect the Fund's ability to repay the Promissory Notes.

3. Federal and State Laws. – The Fund and its operations and assets are subject to regulation and certification by various federal, state and local government agencies, including its designation as a CDFI by the United States Department of the Treasury's CDFI Fund. Such regulations and standards are subject to change, and there can be no assurances that in the future, the Fund will meet any changed regulations and standards or that the Fund will not be required to expend significant sums to comply with changed regulations and standards. No assurance can be given as to the effect on the Fund's future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards, including as a result of recent changes in the leadership of the federal government. A loss of CDFI status by the Fund could result in a loss of access to favorable funding sources and reputational harm. Such loss could also impact the Fund's ability to repay the Promissory Notes. A loss of CDE status would make the Fund ineligible to participate in the NMTC program.

Other possible federal or state legislation which could have an adverse effect on the Fund would include, among others: (i) limitations on the amount of charitable contributions which are deductible for income tax purposes; and (ii) regulatory limitations affecting the Fund's ability to undertake its programs or develop new programs. Since the 2016 federal elections, there have been various renewed and additional legislative proposals to reform the federal income tax code, including proposals to reduce federal income tax rates. Although the specific changes and the ultimate timing of federal income tax reform, if implemented at all, are currently unknown, federal income tax reform could have an adverse effect on the Fund.

Other regulatory programs which may significantly affect the Fund are changes in governmental requirements regarding lending. These could increase the cost of doing business and consequently adversely affect the financial condition of the Fund. Future changes in federal or state laws may also adversely affect the Fund's ability to continue to access financing.

4. NMTC Program. – In connection with the NMTC program, the Fund has received significant fees for asset management services as well as fees related to placement of the NMTC credits. The future of the NMTC program is subject to federal legislation authorizing extension of the program. The Fund's ability to repay the Promissory Notes may be adversely affected if it is unsuccessful in receiving future NMTC allocations either due to discontinuance of the NMTC program or if the Fund is unsuccessful in the competitive application process.

5. Non Compliance Under Debt Agreements. The Fund has certain debt agreements that contain financial covenants requiring the Fund to maintain minimum cash and investment balances and certain financial ratios. As of December, 2016, the Fund was in compliance with all of its financial covenants. A failure to be in compliance could have a material adverse effect on the Fund by limiting its access to credit and capital markets, driving up its costs of borrowing or triggering defaults and the exercise of remedies by creditors.

6. Unsecured Nature of Promissory Notes; No Restrictive Covenants. The Promissory Notes will be unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's operations or financial condition. Principal repayments and interest payments on the Promissory Notes, therefore, will be dependent solely upon the financial condition of the Fund, which will depend on its ability to obtain repayment of the loans and investments it makes. No reserve fund, sinking fund or trust indenture has been, nor will be, established to provide for repayment of the Promissory Notes. Each of these factors may adversely affect the Fund's ability to repay the Promissory Notes.

7. Secured Debt. As a condition of certain debt agreements, the Fund has granted to the lenders a lien on, and a security interest in, all of the Fund's rights, title, and interest to the specific loans receivable. If the Fund becomes insolvent, the lenders under the credit facilities will be entitled to payment before the holders of the Promissory Notes and other unsecured creditors to the extent of the value of Fund's assets that are encumbered. The Fund may also incur other debt obligations that may be senior to the Promissory Notes in terms of collateral or repayment, through the sale, securitization, syndication or participation of the Fund's portfolio of loans, leases and investments.

8. Affiliate Operations; Structural Subordination. The Fund's affiliates are separate and distinct legal entities and have no obligation, contingencies or otherwise, to pay any amounts due on the Promissory Notes or to make funds available to the Fund to do so. As a result, the Promissory Notes will be effectively subordinated to all existing and future obligations (including trade payables) of the Fund's affiliates, and the claims of creditors of those affiliates, including trade creditors, will have priority as to the assets and cash flows of those affiliates. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding of any of those affiliates, holders of their liabilities, including their trade creditors, will generally be entitled to payment on their claims from assets of those affiliates before any assets are made available for distribution to the Fund. Consequently, the Fund's ability to pay its obligations, including its obligation to pay principal and interest on the Promissory Notes, depends on its affiliates repaying loans and advances the Fund has made to them, and on those affiliates' earnings and their distributing those earnings to the Fund. The Fund's affiliates' ability to pay dividends or make other payments or advances will depend on their operating results and will be subject to applicable laws and contractual restrictions. The terms of the Promissory Notes do not limit the Fund's ability to make loans to or investments in affiliates or those affiliates' ability to enter into other agreements that prohibit or restrict dividends or other payments or advances.

9. Lack of Market. There is no market for the Promissory Notes, and it is highly unlikely that a market will develop. Therefore, investors may not be able to liquidate their investment in the Promissory Notes prior to the maturity date of the Promissory Notes.

10. Rate of Return. Other issuers may offer notes or other debt securities with a higher rate of return and/or that provide greater security and less risk than the Promissory Notes. In addition, the Fund and its affiliates may and do, from time to time, offer other Promissory Notes or debt securities with a higher rate of return and/or that provide greater security and less risk than the Promissory Notes.

11. Tax Treatment. The purchase of a Promissory Note is not a donation to a charitable organization and is not deductible. It is an investment. Interest paid or accrued on the Promissory Notes is income to each holder, and will be subject to tax, unless the holder is eligible for an exemption from federal tax with respect to such interest. Furthermore, a person who, during a given taxable year, holds over $250,000 in the aggregate in principal amount of Promissory Notes (or of Promissory Notes and other debt instruments issued by the Fund and by other charitable organizations that are effectively controlled by the same person or persons who control the Fund) may be considered to have received imputed interest income equal to forgone interest on the Promissory Notes and to have made a charitable contribution to the Fund of some or all of the forgone interest. Prospective holders of the Promissory Notes are advised to consult their own tax advisors regarding the federal, state, local, and foreign tax consequences of the purchase, ownership, and disposition of the Promissory Notes. See "Tax Considerations."

12. Viability of the Fund. A substantial majority of the Fund's assets are restricted and may not be used to repay loans under the Promissory Notes. As of December 31, 2016, the Fund had total assets of $423,670,264 and total net assets of $167,766,446. Total net assets include $54,065,188 of unrestricted net assets and $113,701,258 of net assets that are restricted as to use and are not available for principal repayments or interest payments on the Promissory Notes. Loans and notes payable due in fiscal year 2017 total $37,212,965. If the Fund is unsuccessful in obtaining the repayment of loans and investments and/or unsuccessful in obtaining grants and contributions for the payment of operating expenses, the Fund's viability and ability to repay the Promissory Notes may be adversely affected.

13. Reliance on Grants and Contributions. The Fund relies on grants and contributions for a substantial portion of its revenues. These grants and contributions are made for both special projects and for operating expenses. If grants and contributions earmarked for special projects are eliminated, there would be a corresponding reduction in expenses as such special projects would not be undertaken by the Fund. Grants and contributions for operating expenses are used to support lending, investing, technical assistance, and general operating programs. Without these grants and contributions the Fund would have to find other sources of capital to fund its operating expenses. Historically, the Fund has received significant support for both its operations and capital needs from the public sector, including the U.S. Department of the Treasury, U.S. Department of Education, Pennsylvania Department of Community and Economic Development and various other federal, state, local agencies and philanthropic sources. The Fund's ability to repay the Promissory Notes may be adversely affected if the amount of grants and contributions available to the Fund is diminished or the Fund is not successful at obtaining such grants and contributions.

14. Related Party Transactions / Conflicts of Interest. The Fund may be subject to conflicts of interest arising out of its relationship with and/or investments in its affiliates, including conflicts with respect to loans to and investments in such affiliates, shared administrative costs and other overhead and other commercial arrangements. From time to time, the Fund will also guarantee certain debt of its affiliates. In addition, members of the Board may be associated with investors in the Fund and/or borrowers/investees of the Fund. The loans to and investments in such affiliates, other related parties and other commercial arrangements with such parties may be on terms more favorable to the affiliate or related party than would otherwise be available to it in the market. The ability of the Fund to repay the Promissory Notes may be adversely impacted by the performance of these affiliates and related party investments, loans and commercial arrangements. See "Fund Affiliates and Related Entities."

15. Concentration of Receivables Portfolio. When the Fund originates loans and leases, it incurs credit risk, or the risk of losses if its borrowers do not repay their loans or satisfy their lease obligations. The Fund reserves for credit losses by establishing an allowance for credit losses. The amount of this allowance is based on the Fund's assessment of potential credit losses inherent in its receivables portfolio. This process, which is critical to the Fund's financial results and condition, requires difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of the Fund's borrowers to repay their loans or satisfy their lease obligations. As is the case with any such assessments, there is always the chance that the Fund will fail to identify the proper factors or that it will fail to accurately estimate the impacts of factors that it identifies. If the Fund underestimates the credit losses inherent in its receivables portfolio, it will incur credit losses in excess of

the amount reserved, which may adversely affect the Fund's ability to repay the Promissory Notes. See "Lending Factors and Procedures."

The Fund's receivables portfolio is due primarily from non-profit organizations, charter schools, housing developers, commercial real estate developers, community health centers and supermarket operators. At December 31, 2016, the Fund's five largest borrowers constituted 18% of total loans outstanding. The Fund's education portfolio constituted 41% of total loans outstanding, while commercial enterprise and food commerce constituted 23% and 18% of the total loans outstanding. As such, the ability of the Fund borrowers to honor their contracts is dependent upon the viability of the commercial real estate sectors, healthy food retailers and charter schools and the Fund's ability to repay the Promissory Notes may be adversely affected by economic, business and political conditions that uniquely or disproportionately affect such sectors.

16. Discretion to Make Loans and Investments. An investor will have no control over, and the Promissory Notes do not restrict, the types of loans and investments made by the Fund. In addition, an investor will not be able to evaluate all of the specific loans and investments to be made by the Fund. The Board has authorized specific lending staff, based on experience and expertise, to approve transactions within specific guidelines set by the Board, with a Loan Committee approving or disapproving other proposed loans and investments. An investor will not have input into, and the Promissory Notes do not restrict, such loan and investment decisions. These factors will increase the uncertainty, and thus the risk, of investing in the Promissory Notes. See "Lending Factors and Procedures."

17. Financing Provided to Others. The Fund provides financing to borrowers whose organizations, businesses, and/or projects support and complement the mission of the Fund. In some situations, the Fund's borrowers may be unable to obtain financing from conventional commercial lenders, and the Fund may make loans to borrowers on terms less stringent than those imposed by commercial lenders. The quality and performance of the loans made by the Fund may adversely impact the ability of the Fund to repay the Promissory Notes. See "Use of Proceeds."

18. Program Investments and Investments in Other Partnerships and Limited Liability Companies. As of December 31, 2016, the Fund has investments in other limited partnerships and limited liability companies totaling $680,648. If the Fund does not recover all or a portion of its investments, the Fund's ability to repay the Promissory Notes may be impacted (See Exhibit D, Reinvestment Fund Inc., & Affiliates - Note # 8 Equity Investment and Program Investments).

19. On-line Data and Mapping Services. PolicyMap, LLC ("PolicyMap"), the Fund's previously consolidated subsidiary, markets an on-line data and mapping tool. On January 1, 2016, the Fund made a strategic decision to establish PolicyMap as a separate legal entity of which the Fund is the sole member. The Fund continues to support PolicyMap through a shared services agreement and a line of credit for operating purposes. At December 31, 2016, the balance on the line of credit was $100,000. Revenues from PolicyMap depend on outside subscribers, purchasers and grant support. The slow pace of early revenues and significant development and maintenance costs has resulted in operating losses in previous years. For the most recent year ended December 31, 2016, PolicyMap showed an operating loss, excluding corporate support. The Fund's ability to repay the Promissory Notes may be adversely affected should PolicyMap revenues not exceed the cost of their operations.

20. Other Real Estate Owned. The Fund has historically acquired and managed, and expects that it will continue to acquire and manage real properties (formally distressed loans) that have been transferred to the Fund in lieu of loan repayments by borrowers as Other Real Estate Owned ("OREO") and to prepare such properties for sale. The Fund accounts for its investment in OREO at the net realizable value ("NRV") at the date the real estate is acquired by the Fund. The NRV is established by determining fair value supported by a current appraisal adjusted for reasonable disposition costs. The appraised value may be discounted based on management's review and changes in market conditions. As of December 31, 2016, the Fund had no OREO.

21. Fluctuations in Market Value of Investments. Earnings on marketable investments have historically provided the Fund an important source of cash flow and capital appreciation to support its programs and services, to finance capital investments and to build liquid reserves. Historically the value of both debt and equity securities has fluctuated and, in some instances, the fluctuations have been quite significant. Diversification of securities holdings may diminish the impact of these fluctuations. However, no assurances can be given that the market value of the investments of the Fund will grow, or even remain at current levels and there is no assurance that such market value will not decline. Further, no assurances can be given that there will not be a significant decrease in the value of the Fund's investments caused by market or other external factors.

22. Environmental Liability. The Fund's financial results may be adversely affected by environmental liability whether due to lender liability or as a result of liability of the owners of properties financed by the Fund loans. Environmental liability may adversely affect the Fund's loans by: (1) reducing the capacity of its borrowers to continue financially sound operations; and (2) reducing the value of the collateral. Although the Fund does not generally make loans to borrowers in heavy industry or other sectors that have experienced significant environmental claims, no assurances can be provided that the Fund may not face environmental liability in the future.

Pennsylvania law provides, and the laws of other jurisdictions may provide, immunity to mortgage lenders and foreclosing mortgagees, such as the Fund, from certain consequences of environmental contamination. The possibility of environmental contamination may in certain cases cause the Fund to refrain from exercising its foreclosure rights with respect to defaulted loans and therefore may prevent the Fund from realizing the benefit of all remedies available to it. In addition, in certain circumstances, including bankruptcy proceedings of a borrower, the amount of funds required to be applied to remedy environmental contamination may reduce the funds available to pay amounts due to the Fund with respect to a loan

23. Certain Factors Affecting Charter School Borrowers. Loans for charter schools constitute a significant portion of the Fund's direct and indirect lending activities and are likely to remain an important focus of the Fund's mission related to community development. As of the fourth quarter of 2016, charter schools have been authorized in 42 states ("States") and in the District of Columbia ("District"). Schools receive Federal, State and local per student funding. Local per student revenue, paid from the school district in which a charter student resides, generally is equivalent to the amount such school district would spend on each of its students less the average per-student expenditure for certain programs and categories of expenditures. Consequently, a charter school borrower's ability to repay its loans in certain jurisdictions is largely dependent on the school district payments to the charter school for educating students, which amounts are set by the State or District. There is no assurance that the State's or District's funding formula will not change over time, that the State's or District's budgetary process will not result in delays or reductions in the amount of funding to charter schools or that a school district (in the applicable jurisdiction) will fully and timely make payments to a charter school. Moreover, charter schools are subject to certain renewal risks. Under State and District law, a charter may be suspended or revoked for certain violations and may not be renewed in all instances. Charter schools typically have charter contract terms ranging from five to fifteen years. Furthermore, since some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. No assurances can be provided as to how State and District education funding may vary over the term of any loan made by the Fund to a charter school borrower.

24. Local Tax Assessments. In recent years, a number of local taxing authorities in some states have sought to subject non-profit organizations to local real estate, business privilege and similar taxes, primarily by challenging their charitable status under state law. Certain legal tests may be subjective and difficult to satisfy. Court decisions may be highly fact-specific and may not provide clear overall guidance on the question. Financial pressures on municipal and state governments may increase the pressure on tax-exempt entities to enter into agreements with local jurisdictions to make payments in lieu of taxes (PILOT or SILOT agreements) or face lengthy and expensive litigation as to their status under state law. Therefore, there is no assurance that under the current laws of the jurisdictions where the Fund conducts its business, that the Fund will remain exempt from state sales and use tax, or similar taxes, and local real estate and other local taxes.

25. Effects of Loss of 501(c)(3) Tax-Exempt Status. The Fund is an organization described in Section 501(c)(3) of the Code. A loss of such tax-exempt status may adversely affect the Fund by making donations to it ineligible for a deduction for federal income tax purposes and subjecting the Fund's income to federal taxes. A loss of federal tax-exempt status may also impact the Fund's state-law tax exemptions.

DESCRIPTION OF THE PROMISSORY NOTES

Each investor will receive a Promissory Note as evidence that the named investor has made a loan of a specific amount to the Fund. Interest on the loan shall be due and payable annually on the date specified on the Promissory Note. The Promissory Notes do not provide for redemption prior to the maturity date by the named investors nor do they allow the Fund to call the Promissory Notes prior to maturity. Any such early redemption or call will require the mutual written consent of the Fund and the investor. Unless an investor timely elects to receive payment in full of the principal amount of its Promissory Note at maturity, the principal amount of an investor's Promissory Note will be reinvested in a new Promissory Note of the same duration having the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Fund is then selling under the Fund's prospectus.

The Promissory Notes are unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's operations or financial condition. There is no public market for the Promissory Notes, and it is highly unlikely that a public market will develop. Therefore, investors in the Promissory Notes should realize that these investments will be very illiquid.

The Fund's affiliates are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Promissory Notes or to make funds available to the Fund to do so. As a result, the Promissory Notes will be effectively subordinated to all existing and future obligations (including trade payables) of affiliates, and the claims of creditors of those affiliates, including trade creditors, will have priority as to the assets and cash flows of those affiliates. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding of any of the Fund's affiliates, holders of their liabilities, including their trade creditors, will generally be entitled to payment on their claims from assets of those affiliates before any assets are made available for distribution to the Fund. Consequently, the Fund's ability to pay its obligations, including its obligation to pay principal and interest on the Promissory Notes, depends in part on its affiliates repaying loans and advances, and on the affiliates' earnings and their distributing those earnings to the Fund. The Fund's affiliates' ability to pay dividends or make other payments or advances will depend on their operating results and will be subject to applicable laws and contractual restrictions. The terms of the Promissory Notes do not limit the Fund's ability to make loans to or investments in its affiliates or the affiliates' ability to enter into other agreements that prohibit or restrict dividends or other payments or advances to the Fund.

Each investor will receive notice from the Fund at least 30 days prior to the maturity date of its Promissory Note providing the investor with the option to elect to receive payment in full of the principal amount of its Promissory Note or to renew its investment at maturity. This notice will be accompanied by the Fund's prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. If an investor elects to receive payment in full of the principal amount of the investor's Promissory Note, the investor shall not be entitled to receive interest on the principal amount of the Promissory Note after the maturity date. **If an investor does not respond to the Fund's notice within 60 days after the maturity date in the manner provided in the notice, the principal amount of the investor's Promissory Note will automatically be reinvested effective as of such maturity date in a new Promissory Note of the same duration containing the terms and conditions, including interest rate, set forth in the prospectus that accompanies the notice.** The terms and conditions of any Promissory Note, including interest rate, issued through reinvestment may be less favorable to the investor than the terms and conditions of the Promissory Note originally purchased by the Investor.

See the form of loan agreement attached hereto as Exhibit A and the form of Promissory Note attached hereto as Exhibit B. Interest rates on Promissory Notes will be consistent with the table on the cover page of this Prospectus, and investors may elect, on their investor application, either to receive annual interest payments or to reinvest interest payments with the Fund.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are subject to risks and uncertainties and that address, among other things, the ability of the Fund to repay the Promissory Notes, the use of proceeds from the sale of the Promissory Notes, the amount of Promissory Notes that will be deemed sold as a result of roll-overs or reinvestments, and the Fund's loan underwriting standards and procedures. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would" or the negative of these terms or other comparable terminology. The forward-looking statements are based on the Fund's beliefs, assumptions and expectations, taking into account information available to the Fund. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Fund or are within the Fund's control. Consequently, actual results, performance, achievements or events may vary materially from those expressed in the Fund's forward-looking statements. The Fund does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Potential investors should carefully consider these risks, along with the risks and information set forth elsewhere in this Prospectus, before making an investment decision with respect to the Promissory Notes.

USE OF PROCEEDS

As previously described, the Fund intends to use the net proceeds from the offering for the purpose of making loans to and/or equity investments in organizations and businesses working to alleviate poverty, build wealth and create economic opportunity for low wealth communities and low- and moderate-income individuals.

The maximum size of this offering is $7,000,000 and offering expenses are estimated to be $20,000. The Fund expects, based on historical experience, that approximately $3,500,000 of the $7,000,000 of Promissory Notes offered pursuant to this Prospectus will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, the Fund only expects to receive up to $3,500,000 in new cash proceeds from the sales of the Promissory Notes.

Ordinarily, the proceeds of this offering would not be earmarked for any specific loan or loans but substantially all of the proceeds would be used for loans or investments. If sufficient interest is earned on the proceeds, however, some of that interest (but not principal) may be used to offset expenses of the Fund and to fund a loan loss reserve.

Although the Fund expects to use the proceeds from this offering to fund loans and investments to end borrowers or investees, it may use proceeds from this offering to:

- make loans to an affiliate, TRF Enterprise Fund, Inc. ("TRF EFI"). The proceeds disbursed under these loans to TRF EFI will be immediately re-lent to urban-based small businesses. As of December 31, 2016, the balance of loans to TRF EFI was $27,002.

- make a loan to an affiliate, PolicyMap. The proceeds disbursed under this loan to PolicyMap are for temporary cash flow shortfalls. The agreement was effective January 1, 2016 and the

Fund is limited to a maximum loan amount of $500,000 to PolicyMap. As of December 31, 2016, the balance of the loan to PolicyMap was $100,000.

- make loans or grants to an affiliate, TRF Development Partners, Inc. and Affiliates ("TRF Development Partners"). On December 31, 2016, the Fund and TRF Development Partners executed a Support and Services Agreement which cancelled an existing line of credit and outlined the terms and conditions of future support. In addition, the Board authorized four separate matching grants. At December 31, 2016 the maximum aggregate amount of future matching grants was $1,425,000. Finally, as part of the Support and Services Agreement, the Fund agreed to provide certain business services through 2017 and reimburse TRF Development Partners in 2018 and 2019 as it either performs the services itself or contracts a third party for such services.

- make loans to and investments in affiliates on terms more favorable to the affiliate than would otherwise be available to such affiliate from an unrelated party.

CAPITALIZATION

The following table sets forth the actual capitalization of the Fund on a non-consolidated basis as of December 31, 2016 and the pro forma capitalization of the Fund on a non-consolidated basis as of December 31, 2016 assuming the Promissory Notes offered by this Prospectus were issued and sold on December 31, 2016. The table should be read in conjunction with the Fund's consolidated financial statements for the fiscal year ended December 31, 2016 and the related notes and supplementary information thereto attached as Exhibit D to this Prospectus.

	December 31, 2016		
	Actual	Pro Forma	
Current and noncurrent loans payable	$ 232,831,528	$ 229,331,528	*
Anticipated sales of new notes	-	7,000,000	
Net current and noncurrent loans payable	232,831,528	236,331,528	
Net Assets:			
Unrestricted net assets	63,249,308	63,249,308	
Temporarily restricted net assets	54,392,788	54,392,788	
Permanently restricted net assets	50,124,350	50,124,350	
Total Net Assets	167,766,446	167,766,446	
Total Capitalization	$ 400,597,974	$ 404,097,974	**

* Based on historical experience, of the total $7,000,000 of Promissory Notes offered, approximately $3,500,000 will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, it is expected that only approximately $3,500,000 of the total offered Promissory Notes will be sold as new sales of Promissory Notes resulting in cash proceeds.

** Represents the sum of net current and noncurrent loans payable (including sale of new Promissory Notes), total unrestricted, temporarily restricted and permanently restricted net assets.

LENDING FACTORS AND PROCEDURES

The Fund makes loans to and investments in organizations and businesses. The Fund's staff screens loan and investment applications from prospective borrowers/investees, including both non-profit and for-profit organizations.

The Fund expects to make both long-term loans (three to seven year) and short-term loans (two years or less). Interest rates vary, depending on conditions set by the Fund, the priorities of the Fund the type of loan, prevailing market conditions, and the risk associated with the loan.

To qualify for a loan from the Fund, the applicant's project or overall mission must be consistent with the principles and purpose of the Fund, demonstrate an ability and willingness to meet the terms of the loan, including such requirements for technical assistance as may be imposed by the Fund, and demonstrate potential for building wealth and creating economic opportunity for low wealth communities and low- and moderate-income individuals across the country.

The Fund has underwriting standards specific to each loan product and borrower type. The categories of analysis include management capacity, collateral value, marketing plans, adequacy of cash flow, credit history and past performance with the Fund, quality of financial reporting and historic financial performance, and quality of the business planning and experience with executing similar projects or programs. The Fund's underwriting also frequently incorporates third party reports from credit bureaus, appraisers, engineers, architects, and environmental specialists. All loans in excess of staff lending authority are vetted by an independent loan committee comprised of underwriting experts and business professionals from relevant fields (the "Loan Committee"). The Board has authorized specific lending staff, based on experience and expertise, to approve loans and investments within specific guidelines as set by the Board.

The Board appoints the Loan Committee. Each Loan Committee member provides varied and relevant expertise and makes recommendations for any new membership to the Loan Committee, with new members approved by the Board. The Fund monitors conflicts of interest, including requiring an annual conflict of interest statement signed by each member. Loan Committee members must recuse themselves from a meeting for any loan for which they may have real or perceived conflicts. Loan Committee members do not receive any compensation or reimbursement for their time.

The Fund's loan policy, which was most recently affirmed by the Board in December 2016 (effective January 2017) (the "Loan Policy"), dictates staff lending authority. In accordance with the Loan Policy, staff lending authority is determined based on a percentage of the maximum allowable loan amount, which is 12.5% of adjusted net assets of the Fund (the "Maximum Allowable Loan Amount") for any single loan to a borrower of the Fund. The Maximum Allowable Loan Amount for any single loan to a borrower is calculated using the adjusted net assets of the Fund. A Managing Director of Lending, or Chief Investment Officer ("CIO") or Senior Director may approve a loan of up to 12.5% of the Maximum Allowable Loan Amount. Approved by both the Chief Executive Officer ("CEO") and the CIO, increases the limit to 25.0% of the Maximum Allowable Loan Amount. Approval by the Loan Committee Co-Chairperson ("Co-Chair"), CEO, and CIO, increases the limit to 50.0% of the Maximum Allowable Loan Amount. As of December 31, 2016, the Maximum Allowable Loan Amount for any single loan to a borrower was $8,314,923, which corresponds to lending authority of the Managing Director, CIO or Senior Director of up to $1,039,365, the CEO together with the CIO of up to $2,078,731, and the CIO, CEO and Co-Chair of up to $4,157,462. All extensions of loans in excess of $4,157,462 must be approved by the full Loan Committee (see "Management of the Fund"). These amounts were ratified by the Board in December 2016 and are reviewed monthly by management of the Fund. For each of its meetings, the Loan Committee is provided with a listing of all loans approved outside of the Loan Committee. Loans approved by the Loan Committee and outside of the Loan Committee are not communicated to the investor. Exceptions to the Maximum Allowable Loan Amount must be approved by the Board.

Each borrower obtaining a loan will execute a note and such other legal instruments as are deemed necessary to provide for the repayment of principal and interest. The Fund will make both long and short-term loans; interest rates will vary, depending on conditions set by lenders of the Fund, the priorities of the Fund, prevailing market conditions, and the risk associated with the loan. In most cases the loans will be secured in some way, but when the Fund is otherwise satisfied that repayment is reasonably assured, a loan may be unsecured.

The Board may change these underwriting standards and procedures or make exceptions thereto, from time to time, in its sole discretion.

At December 31, 2016, loans and leases receivable included individual loans in excess of $3 million to thirty discrete borrowers totaling $159,264,309.

There were no delinquencies with respect to individual loans in excess of $500 thousand and greater than 90 days past due at December 31, 2016 or December 31, 2015.

Cumulative loan losses (greater than $100,000) for the 36 months ended December 31, 2016 totaled approximately $1.4 million and were made to four discrete borrowers. Cumulative recoveries (greater than $100,000) for the 36 months ended December 31, 2016 totaled approximately $187,000 from one discrete borrower.

GOVERNANCE OF THE FUND

The Fund's governance reflects its commitment to its mission and prudent risk management. The Fund is supervised by a Board composed of persons who are, or are associated with, current or potential investors in or borrowers from the Fund, or who possess various professional or other skills necessary or desirable for the effective functioning of the Fund. The Board may consist of at least eleven members and not more than 20 members. Currently, the Board consists of 13 members. The Board meets at least three times per fiscal year. The address for all members of the Board and the management of the Fund is the address of the Fund.

There are four permanent sub-committees of the Board - the Executive Committee, the Nominating & Governance Committee, the Finance Committee, and the Audit & Risk Committee. The Fund's Loan Committee serves at the will of the Board. The powers and responsibilities of the Board, through these committees, include (1) approving or disapproving all loans, excluding certain types of smaller dollar loans which are approved or disapproved by Fund staff only; (2) setting policy and direction for the Fund and the CEO based on a review of the Fund's financial risks and exposures; (3) reviewing operating budgets each fiscal year; (4) reviewing the integrity of the Fund's financial statements; and (5) reviewing the Fund's compliance with legal and regulatory requirements.

Board of Directors

The present members of the Board are as follows:

Saul Behar (Board member since 2016, current term expires 2018, serves on Audit & Risk Committee), Vice President and General Counsel at the University City Science Center in Philadelphia, PA, which provides business incubation, programming, lab and office facilities, and support services for entrepreneurs, start-ups, and growing and established companies. Serves as Board Member of the Philadelphia Alliance for Capital and Technologies, The Village of Arts and Humanities, and the Lower Merion Township Scholarship Fund.

Phyllis Cater (Board member since 2016, current term expires 2018, serves on Community Advisory Board and Loan Committee), President & Chief Executive Officer of Spectrum Health Services, Inc. in Philadelphia, PA. Serves on Board of Pennsylvania Association of Community Health Centers, Health Federation of Philadelphia and on Advisory Board of Early Head Start.

Arnie Graf (Board member since 2009, current term expires 2018, serves on Executive Committee and Community Advisory Board), a long-time community organizer and former leader at Industrial Areas Foundation ("IAF"), the oldest national organization of community organizations in the country, comprised of 56 organizations in the United States, the United Kingdom, Germany and Australia.

Scott Jenkins (Board Treasurer, Board member since 1999, current term expires 2017, serves on the Executive Committee, and as Chair of the Finance Committee) is a Professional Investment Advisor and President of S. M. Jenkins & Company in Philadelphia, PA. Serves as Board member of the Connelly Foundation, Berea College and Bryn Mawr Presbyterian Church. Previously Vice President with The First Boston Corporation and a Vice President with Goldman, Sachs & Co. He received a BS degree with distinction from the United States Naval Academy and an MBA with distinction from The Wharton School at the University of Pennsylvania.

Trinita Logue (Board member since 2012, current term expires 2017, serves on the Executive, Finance and as Chair of Nominating & Governance Committee) is the founding President and CEO of IFF (formerly Illinois Facilities Fund), a nonprofit CDFI and a recognized leader in the development of innovative financial and real estate solutions for nonprofit organizations in the Midwest. Ms. Logue also serves as a trustee of ARC, LLC, an impact investing initiative created by the MacArthur Foundation. She is a member of the advisory committee for the Social Enterprise Initiative at the University of Chicago's Booth School; Illinois Attorney General's Charitable Advisory Committee member; and Board member of the Hyde Park Art Center in Chicago.

Katherine O'Regan (Board member since 2017, current term expires 2020) Professor of Public Policy and Planning at New York University. Served as Assistant Secretary for Policy Development and Research at the Department of Housing and Urban Development in the Obama Administration from April 2014-January 2017. Served on advisory board for New York University's McSilver Institute for Poverty Policy and Research and as visiting scholar at the Federal Reserve Bank of Boston and the Economic Studies group at the Brookings institution.

Allen Shubin (Board member since year end 2016, current term expires 2019, serves on Audit & Risk Committee), audit partner at KPMG's Philadelphia office. Thirty years' experience in the financial services industry. Member of American Institute of Certified Public Accountants and Pennsylvania Institute of Certified Public Accountants. Volunteers for Cystic Fibrosis Foundation and member of the Finance Committee and Chairperson of the Audit Committee of the Jewish Federation of Greater Philadelphia.

Raymond Skinner (Board member since 2015, current term expires 2017, serves on Loan Committee), president and CEO of East Baltimore Development Inc., Baltimore, MD. Trustee of the National Housing Conference; former President of the Council of State Community Development Agencies; former Community Development Advisory Council member of Federal Reserve Bank of Richmond; and Vice President of the Housing Association of Nonprofit Developers.

John Summers (Board Chair, Board member since 1999, current term expires 2019, serves on Nominating & Governance and Audit & Risk Committees and is Chair of Executive Committee) is a founding shareholder and attorney with Hangley Aronchick Segal Pudlin & Schiller. Served on Board of Governors of Philadelphia Bar Association; Trustee of Philadelphia Bar Foundation; past president of the Philadelphia Bar Education Center; and hearing Board Member for the Pennsylvania Supreme Court Disciplinary Board. Mr. Summers graduated Magna Cum Laude from Wesleyan University, where he received a B.A. in Economics. He received his JD from the University of Pennsylvania Law School.

Elizabeth Sur (Board member since 2011, current term expires 2019, serves on the Executive Committee and is Co-chair of Loan Committee) is a Vice President at PNC Bank N.A. Serves on the Board of Calcutta House, a residential facility for AIDS victims. She is also a 10-year veteran panelist and trainer for the Chester County Department of Children, Youth, and Families' foster care and adoption programs. Ms. Sur is an alumna of Boston College and

Temple University's James E. Beasley School of Law, where she prepared and presented a third year thesis on community development lending.

Dr. Sandeep Wadhwa (Board member since 2015, current term expires 2017, serves on Finance Committee**)** is the Senior Vice President of Care and Delivery Management at Noridian Healthcare Solutions, LLC, where he oversees development and delivery of innovative approaches to strengthen community-based care delivery and to improve health of vulnerable populations. He has more than 20 years of experience in the health care industry, including extensive experience as a care management executive and leader in population health improvement. He previously served as the State Medicaid Director for Colorado. Dr. Wadhwa holds the distinction of being one of six Medicaid directors named to the inaugural Medicaid Leadership Institute sponsored by Robert Wood Johnson Foundation in 2009. He received his undergraduate degree from Wesleyan, medical degree from Cornell, and business degree from Wharton.

Patricia D. Wellenbach (Board member since 2011, current term expires 2017, serves on Executive, Nominating & Governance and is Chair of the Audit & Risk Committee) is the President and CEO of the Please Touch Museum, which enriches the lives of children by creating learning opportunities through play. Ms. Wellenbach was previously Chief Executive Officer of the nonprofit Green Tree School which offers an array of programs focused on helping students with emotional disabilities, preschool developmental delays and autism to acquire academic, personal, vocational and social skills necessary to succeed in school and the community, at large. Prior to that, Ms. Wellenbach was President of Sandcastle Strategy Group, a management consulting practice. Ms. Wellenbach serves on a variety of boards including as a trustee of Abington Health, as board chair of the Avenue of the Arts, a member of the United Way board and a member of PNC Bank Women's Wealth Advisory Board. She is a cum laude graduate of Boston College and holds a certificate from the Johnson and Johnson/UCLA Healthcare Executive Program.

Mark M. Zandi (Board Vice Chair, Board member since 2007, current term expires 2018, serves on the Executive and Finance Committees and is Vice Chair of the Nominating & Governance Committee) is Chief Economist and co-founder of Moody's Analytics, a leading independent provider of economic, financial, country, and industry research designed to meet the diverse planning and information needs of businesses, governments, and professional investors worldwide. Serves on Board of Directors of MGIC Investment Corporation, which provides private mortgage insurance and ancillary services. He received a Ph.D. at the University of Pennsylvania and he received his B.S. from the Wharton School at the University of Pennsylvania.

MANAGEMENT OF THE FUND

The present staff members of the executive management team of the Fund are as follows:

Michael M. Crist, CPA, Executive Vice President & Chief Financial Officer

Mr. Crist leads the finance functions of the Fund and its affiliates through fiscal oversight, strategic planning, budgeting and financial projections, capitalization and treasury operations, and financial risk management. He is also responsible for oversight of human resources, information technology and office services of the Fund. Prior to joining the Fund in 2001, Mr. Crist was with PHH, a national residential mortgage banking company, where he served in numerous capacities including VP and Controller, VP of New Business Initiatives and Director of Secondary Marketing. Prior to that, he was a senior manager at PricewaterhouseCoopers, LLP. Mr. Crist is a graduate of the University of Delaware with a BS in Accounting.

Ira Goldstein, President, Policy Solutions

Mr. Goldstein joined the Fund in 1999 to lead the Fund's social impact analytical work, which is now integrated with the Fund's financing activities. Mr. Goldstein was previously the Mid-Atlantic Director of Fair Housing and Equal Opportunity at the United States Department of Housing and Urban Development.

Goldstein holds a PhD in Sociology from Temple University and is an adjunct instructor at the University of Pennsylvania. He has published numerous articles on such topics as housing finance, discrimination, and residential segregation and is a national expert on predatory lending.

Amanda High, Chief of Strategic Initiatives

Ms. High joined the Fund in 2014 as the Fund's Chief of Strategic Initiatives, responsible for managing the interconnection of strategic resource development, communications, and program innovation. In this position, she is responsible for launching initiatives, achieved by implementing new products, programs and partnerships. She has over 20 years of experience leading high impact initiatives for national and international non-profit and development organizations. Prior to the Fund, she served as the Head of Resource Mobilization at the Alliance for a Green Revolution in Africa, an organization working to help millions of small-scale farmers and their families lift themselves out of poverty and hunger. She completed Master's degree coursework in Economics and International Affairs at the Johns Hopkins University and has a Bachelor's degree from Princeton University.

Donald R. Hinkle-Brown, Jr., President and Chief Executive Officer

Mr. Hinkle-Brown joined the Fund in 1991 and as President and CEO, leads a staff of 90 highly skilled lenders, researchers, developers and other professionals at the Fund. With over 25 years of experience in the CDFI industry, Mr. Hinkle-Brown is widely recognized as an expert in developing new programmatic initiatives, raising capital and creating new products to meet market demand. Mr. Hinkle-Brown previously served as President of Community Investments and Capitals Markets at the Fund, leading the Fund's lending during a tenure where it lent or invested over $1 billion. Mr. Hinkle-Brown has also provided his underwriting and capitalization expertise to many community development loan funds and organizations. He holds an M.B.A. from Temple University in Real Estate and Urban Planning.

Nancy Wagner-Hislip, Chief Investment Officer

With the Fund since 1998, Ms. Wagner-Hislip is responsible for overseeing the Fund's Lending and Investment activities, including business development, loan origination, New Markets Tax Credit investment, risk management and capitalization. Prior to taking on this new role in 2015, Ms. Wagner-Hislip served as the Fund's EVP of Capitalization and Lending Operations. She brings more than 20 years of community development experience to the Fund and is a recognized expert in real estate finance and tax credit finance. Before joining the Fund, she was a Vice President at CoreStates Bank where she managed a $30 million community development loan portfolio. She holds a BA in Public Policy and Economics from the University of Pennsylvania.

FUND AFFILIATES AND RELATED ENTITIES

TRF Enterprise Fund, Inc.

In January 1999, the Fund incorporated a wholly owned non-stock subsidiary, Enterprise Investment Fund, Inc., which was renamed in 2001 as TRF Enterprise Fund, Inc.. The primary objective of TRF EFI is to provide urban-based entrepreneurs access to credit that is presently unavailable which in turn is expected to increase services and job opportunities to under-served communities and provide ownership and wealth creation opportunities – especially to minority and women entrepreneurs. TRF EFI is approved by the Small Business Administration ("SBA") as a Non-Bank Lender to make SBA guaranteed loans to small businesses. All loans issued by TRF EFI will be SBA-guaranteed, from a minimum of 75% of principal to a maximum of 90% of principal.

TRF EFI is organized and operated exclusively for charitable, educational, and/or scientific purposes within the meaning of Section 501(c)(3) of the Code. TRF EFI has obtained an exemption from Federal income taxes with the IRS. TRF EFI is regulated by the Pennsylvania Department of Banking and is licensed to do business under the Consumer Discount Company Act.

The Fund initially capitalized TRF EFI with $75,000 of paid-in capital. As of December 31, 2016, paid in capital was $1,010,000. SBA-guaranteed loans made to qualified urban-based small businesses are funded by loans from the Fund to TRF EFI. The proceeds disbursed under these loans to TRF EFI are immediately re-lent to the small businesses.

PolicyMap, LLC

PolicyMap is a Pennsylvania limited liability company formed on January 1, 2016, as a wholly owned subsidiary of the Fund. PolicyMap was created as part of a restructuring to better manage risk and enable growth. Prior to formation, PolicyMap operated as a program within the Fund. PolicyMap is an online data and mapping tool that enables government, commercial, non-profit and academic institutions to access data about communities and markets across the U.S. Subscribers to the online data and mapping tools can use it for research, market studies, business planning, site selection, grant applications and impact analysis.

TRF NMTC Fund, LLC

Pursuant to the requirements of NMTC, on September 16, 2004, the Fund formed a Delaware for-profit entity TRF NMTC Fund, LLC ("TRF NMTC") to obtain equity investments from investors and make qualified investments in community businesses. During fiscal years 2015, 2014, 2013, 2012, 2010, 2009, 2007 and 2005, the Fund received allocations of $65,000,000, $43,000,000, $45,000,000, $41,919,753, $90,000,000, $75,000,000, $75,000,000 and $38,500,000, respectively. As of December 31, 2016, TRF NMTC is the general partner with a 0.01% ownership interest in each entity and selected financial information as of December 31, 2016 for each of TRF NMTC's entities was as follows:

	2016			
	Total Assets	Total Liabilities	Net Income(loss)	TRF Investment Balance
TRF NMTC Fund V, L.P.	$ 7,629,306	$ -	$ (2,082,292)	$ -
TRF NMTC Fund IX, L.P.	750	45,394	(43,774)	-
TRF NMTC Fund X, L.P.	18,901,009	8,082	778,905	1,889
TRF NMTC Fund XI, L.P.	9,701,006	-	8,138,955	970
TRF NMTC Fund XIII, L.P.	10,072,165	12,875	457,859	1,006
TRF NMTC Fund XIV, L.P.	17,584,040	7,500	574,475	1,758
TRF NMTC Fund XV, L.P.	41,341,798	53,008	1,769,923	4,256
TRF NMTC Fund XVI, L.P.	18,878,717	8,051	382,530	1,886
TRF NMTC Fund XVII, L.P.	12,880,448	5,456	112,932	1,310
TRF NMTC Fund XVIII, L.P.	8,539,177	10,634	298,127	858
TRF NMTC Fund XIX, L.P.	8,009,444	3,417	49,075	801
TRF NMTC Fund XX, L.P.	9,236,603	3,839	230,702	923
TRF NMTC Fund XXI, L.P.	3,010,621	2,501	46,920	301
TRF NMTC Fund XXII, L.P.	9,526,138	3,957	262,990	950
TRF NMTC Fund XXIII, L.P.	12,621,000	15,625	416,500	1,260
TRF NMTC Fund XXIV L.P.	6,006,710	2,500	43,320	600
TRF NMTC Fund XXV, L.P.	5,553,295	6,875	183,480	555
TRF NMTC Fund XXVI, L.P.	9,532,003	11,875	75,197	952
TRF NMTC Fund XXVII, L.P.	5,522,435	6,875	60,038	552
TRF NMTC Fund XXVIII, L.P.	6,018,570	7,500	41,880	601
TRF NMTC Fund XXIX L.P.	12,036,998	5,000	369,576	1,203
TRF NMTC Fund XXX, L.P.	10,034,003	4,167	346,037	1,003
TRF NMTC Fund XXXI, L.P.	10,051,208	20,834	70,500	1,003
TRF NMTC Fund XXXII, L.P.	11,042,351	13,750	110,000	1,103
TRF NMTC Fund XXXIII, L.P.	8,009,032	3,333	57,342	801
TRF NMTC Fund XXXIV, L.P.	12,009,030	5,000	33,960	1,200
TRF NMTC Fund XXXV, L.P.	9,009,285	3,750	51,912	900
TRF NMTC Fund XXXVI, L.P.	8,527,406	3,542	276,172	852
TRF NMTC Fund XXXVII, L.P.	13,029,302	5,416	270,147	1,302
TRF NMTC Fund XXXVIII, L.P.	8,035,373	3,333	374,880	803
TRF NMTC Fund XXXIX, L.P.	6,506,262	2,708	34,803	650
Total	$ 328,855,485	$ 286,797	$ 13,793,071	$ 32,248

TRF NMTC and the Fund share several board members. An organizational chart of TRF NMTC's holding structure is provided as Exhibit E.

TRF Fund Manager, LLC

TRF Fund Manager, LLC ("Fund Manager") is a Delaware entity formed on June 22, 2010 as a wholly owned subsidiary of the Fund. Fund Manager was formed as a non-member manager for the Chase NMTC TRF Charter School Investment Fund, LLC, an entity unrelated to the Fund. Fund Manager is also the .01% managing member of Chase NMTC TRF 2011 Investment Fund, LLC, Chase NMTC PHN Investment Fund, LLC, 481 Philabundance Investment Fund, LLC, and Chase NMTC Liberty Heights Investment Fund, LLC.

TRF Development Partners, Inc. and Affiliates

TRF Development Partners, Inc., was formed in December 1991 as a support corporation of the Fund. TRF Development Partners and Affiliates ("TRF Development Partners") are affiliated entities, related by common Board members and management operating as a unified organization to assemble land and participate in rental and for-sale housing development in designated communities, concentrating in areas where the Fund has a compelling mission

interest. The Fund provided TRF Development Partners a line of credit of $500,000; this line of credit was canceled on December 31, 2016. Additionally, the Fund had an investment of $500,000 in a subscription note; on December 31, 2016, the Fund forgave the subscription note and issued a conditional loan commitment of $250,000. Additionally, the Fund forgave a $740,998 receivable due from TRF Development Partners. The Fund does not guarantee the performance of any of the debt of TRF Development Partners or its subsidiaries. On January 1, 2017, TRF Development Partners separated from the Fund and is no longer under their governance.

TRF Education Funding, LLC

TRF Education Funding, LLC, ("Education Funding") is a Delaware for-profit entity formed in fiscal 2008 with an initial and current capitalization of $60,100 from the Fund. Education Funding's sole purpose is to manage the Fund's investment in Charter School Financing Partnership, LC ("CSFP"). CSFP was formed to facilitate, encourage and assist in the financing of charter schools.

Reinvestment I, LLC, Reinvestment II, LLC, Reinvestment III, LLC and Reinvestment IV, LLC

Reinvestment I, LLC ("Reinvest I"), Reinvestment II, LLC ("Reinvest II"), Reinvestment III, LLC ("Reinvest III"), and Reinvestment IV, LLC ("Reinvest IV") are Pennsylvania limited liability companies formed as wholly owned subsidiaries of the Fund for the purpose of acquiring and managing distressed real properties, which have been transferred to the Fund by borrowers, in lieu of loan repayments, and to prepare such properties for disposition. At December 31, 2013, all properties were sold. There was no activity in Reinvest I, Reinvest II, Reinvest III or Reinvest IV during 2016.

SUMMARY OF CHANGE IN NET ASSETS OF THE FUND

The following table is a summary of the change in total net assets of the Fund on a non-consolidated basis for the fiscal years ended December 31, 2016, 2015, 2014, 2013, and 2012. The financial statements of the Fund include the activities of the Fund and the table should be read in conjunction with the Fund's financial statements for the fiscal year ended December 31, 2016 and the related notes and supplementary information thereto attached as Exhibit D to this Prospectus.

	2012	2013	2014	2015	2016
Net financial income	$ 5,517,859	$ 8,352,328	$ 10,303,693	$ 9,451,168	$ 10,985,433
Revenue and support	14,707,205	19,940,402	20,602,367	11,401,426	31,638,761
Program and general expenses	(15,556,422)	(16,328,571)	(16,259,869)	(18,335,322)	(20,700,227)
Other increase (decrease)	(1,373,800)	(225,471)	236,773	33,638	-
Change in Net Assets	$ 3,294,842	$ 11,738,688	$ 14,882,964	$ 2,550,910	$ 21,923,967

SUMMARY OF SELECTED FINANCIAL HIGHLIGHTS OF THE FUND

The following table is a summary of selected financial highlights of the Fund on a non-consolidated basis for the fiscal year ended December 31.

	2012	2013	2014	2015	2016
Cash and investments in marketable securities*	$ 79,799,043	$ 82,274,645	$ 82,308,239	$ 79,231,383	$ 88,166,449
Loans and Leases Receivable, gross	$180,651,087	$192,871,435	$233,353,924	$295,324,816	$332,214,367
Unsecured Loans and Leases					
Amount	2,313,872	2,801,096	$ 3,174,944	$ 2,191,264	$ 1,342,648
Percent of total loans and leases receivable	1.3%	1.5%	1.4%	0.7%	0.4%
Delinquencies (60+ days) as a % of total loans and leases receivable	2.3%	2.0%	0.0%	0.1%	0.0%
Total Assets	$266,213,326	$285,870,050	$322,631,460	$368,427,081	$423,670,264
Notes redeemed during the year	$ 19,945,108	$ 17,098,790	$ 23,626,514	$ 37,757,859	$ 86,722,018
Net Assets	$116,669,917	$128,408,605	$143,291,569	$145,842,479	$167,766,446

* Includes cash, cash equivalents, investments in marketable securities, restricted cash, and certificates of deposit

SCHEDULE OF NOTES OUTSTANDING

Aggregate dollar amount of Promissory Note maturities and other loans payable of the Fund at December 31, 2016 are as follows:

2017	$ 34,192,639
2018	23,102,279
2019	53,596,983
2020	12,550,233
2021	29,951,287
Thereafter	79,438,107
	$ 232,831,528

During the fiscal year ended December 31, 2016, the Fund, reinvested interest on loans payable of $131,536, received proceeds from the issuance of loans payable of $119,726,751, and remitted payments on loans payable of $86,722,018.

SCHEDULE OF LOANS RECEIVABLE

The following tables illustrate the projected maturities of loan and lease receivables of the Fund at December 31, 2017, 2018, 2019, 2020, 2021 and thereafter:

	2017	2018	2019	2020	2021	Thereafter	Total
Loan and lease repayments	$37,753,706	$79,055,122	$31,608,100	$41,807,862	$36,934,144	$105,055,433	$ 332,214,367
Interest payments	$16,644,627	$13,776,390	$10,773,059	$8,789,503	$6,689,777	$45,939,302	$ 102,612,658

At December 31, 2016, individual loans in excess of $3 million consisted of:

Loan	Borrower	Loan Type	Principal	Maturity Date	Interest Rate
Education	Cooper Lanning Square Renaissance School	Term	$9,490,000	10/1/17	5.08%
Healthcare	Chase NMTC PHN Sharon Investment Fund	Term	$9,360,000	12/23/21	6.00%
Education	GCCP, LLC	Term	$7,350,000	12/1/45	6.21%
Food Commerce	84 Lockwood Street, LLC	Construction	$6,989,097	11/1/22	5.50%
Education	St. Paul on Fourth Street, Inc.	Construction	$6,200,000	6/30/19	4.58%
Education	Imani Education Circle Charter School	Term	$6,158,453	6/30/17	5.29%
Community Asset	Cathedral Close Investors, LLC - SBLF	Term	$6,000,000	11/1/20	6.25%
Food Commerce	Newark ShopRite LLC	Term	$5,814,192	11/1/25	5.00%
Food Commerce	Liberty Heights LL, LLC-HFFI-1	Term	$5,626,163	3/20/18	5.00%
Education	Chase NMTC Civic Investment Fund, LLC	Term	$5,442,558	12/31/22	5.86%
Food Commerce	Brown's Parkside, LLC	Term	$5,132,050	6/29/22	5.15%
Food Commerce	Hahnes Investment Fund, LLC - NJ RWJ PRI	Construction	$5,032,400	5/12/22	4.75%
Education	The Sheltering Arms	Bridge	$4,976,000	6/5/18	0.00%
Commercial Enterprise	Kutzfactory, LP	Term	$4,912,369	2/1/44	5.95%
Education	Learning Community Charter School	Term	$4,854,030	5/1/41	5.53%
Commercial Enterprise	Crane Arts, LLC	Term	$4,841,947	1/1/22	4.75%
Education	Discovery Support Services	Term	$4,827,941	9/13/20	6.25%
Education	Menlo Park Academy	Construction	$4,743,750	10/31/18	5.96%
Education	Cooper Lanning Square Renaissance School	Term	$4,590,000	7/1/18	5.35%
Education	East Harlem Community Learning Program	Construction	$4,500,062	10/21/21	5.63%
Commercial Enterprise	GCE 234 Loyola Leveraged Lender, LLC	Bridge	$4,262,500	7/5/17	5.70%
Education	Chase NMTC Lehigh Investment Fund, LLC	Term	$4,204,500	12/23/22	5.50%
Education	Building Hope Broad Street Co.	Construction	$3,906,600	6/10/21	0.00%
Education	Sankofa Freedom Academy Charter School	Term	$3,873,952	7/1/20	4.85%
Education	TCG Leverage Lender LLC - TRF	Construction	$3,500,000	12/18/21	6.35%
Commercial Enterprise	Jubilee Baltimore, Inc.	Construction	$3,500,000	6/20/21	5.00%
Commercial Enterprise	Edison Square Assocs., LP - FFF	Term	$3,498,553	3/29/20	5.00%
Housing	Randolph Towers Cooperative, INC.	Bridge	$3,252,772	6/30/17	6.00%
Education	Chase NMTC Chrtr Schl Inv Fund-Meridian	Term	$3,203,261	10/14/18	5.00%
Food Commerce	Fresh Grocer Holdings, LP	Term	$3,107,629	1/31/17	5.75%
Food Commerce	Fresh Grocer Holdings, LP	Term	$3,107,629	1/31/17	5.75%
Community Asset	Second Harvest Food Bank of Metrolina	Term	$3,005,902	1/25/23	5.50%
			$159,264,310		

LOAN LOSS RESERVES

At December 31, 2016, the Fund's allowance for loan and lease losses totaled $17,851,264 or 5.4% of total loan and lease receivables outstanding. This amount includes $511,179 of specific reserves related to impaired loans as required under ASC 310-10-35, and $17,340,085 of general reserve.

The allowance for loan losses is a valuation reserve based on past performance, nature of the loan portfolio and current economic conditions, which management believes will be adequate to absorb possible losses on existing loans that may become uncollectible. See the "Summary of Selected Financial Highlights" table for delinquent loan levels.

INVESTMENTS IN MARKETABLE SECURITIES

The following table shows the investments in marketable securities for the fiscal years ended December 31, 2014, 2015, and 2016:

	2014		2015		2016	
Government securities	$ 25,816,276	59.3%	$ 27,078,949	64.7%	$ 29,614,061	72.9%
Corporate debt securities	17,698,472	40.7%	14,782,609	35.3%	11,021,708	27.1%
Investments in Marketable Securities	$ 43,514,748	100.0%	$ 41,861,558	100.0%	$ 40,635,769	100.0%
Investment gain/(loss), net	$ (423,058)		$ (181,316)		$ (59,385)	

Marketable securities generally refer to obligations issued by the U.S. government or its agencies which include mortgage backed securities, certificates of deposit, overnight repurchase agreements collateralized by direct obligations of the U.S. government, prime commercial paper rated A1/P1 or better, or corporate debt obligations rated investment grade or better. Liquidity is an important feature of marketable securities so that such securities can be converted into cash quickly at a reasonable price. Policies and procedures on investments are discussed in the final paragraph of the section entitled "Reinvestment Fund, Inc."

LIQUIDITY RESERVES

As of December 31, 2016, the Fund had unrestricted cash, cash equivalents (with original maturities of three months or less) and investments totaling approximately $36,000,000 representing 15% of total Promissory Notes and other loans payable.

COMPENSATION

The following table shows the compensation and benefits paid to the executive officers of the Fund for the fiscal year ended December 31, 2016:

	Base Compensation	Bonus & Incentive Compensation	Other Reportable Compensation	Retirement and other deferred compensation	Nontaxable benefits	Total of Columns
	(a)	(b)	(c)	(d)	(e)	(f)
Hinkle-Brown, Donald R	$ 359,397	$ 70,298	$ 14,981	$ 8,645	$ 23,289	$476,610
Crist, Michael	$ 255,625	$ 75,000	$ 3,235	$ 10,600	$ 19,819	$364,279
High, Margaret Amanda	$ 217,875	$ 50,400	$ 13,690	$ 10,600	$ 7,578	$300,143
Wagner-Hislip, Nancy	$ 215,375	$ 60,000	$ 1,552	$ 10,117	$ 20,158	$307,202

(a) Salary received in 2016

(b) Bonus received in 2016

(c) Indudes imputed income on life insurance in excess of $50,000; long term disability premium; and other cash payments

(d) Employer match on 401(k) retirement plan

(e) Employer-paid health insurance; income replacement; and life insurance premiums

(f) Total Compensation

TAX CONSIDERATIONS

This summary of certain material U.S. federal income tax considerations is for general information purposes only, is not relevant to all prospective holders – such as foreign persons – of the Promissory Notes, and is not tax advice. This summary does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular prospective holder in light of the prospective holder's circumstances. This summary does not address any aspect of state, local, or foreign law, or U.S. federal estate and gift tax law.

PROSPECTIVE HOLDERS OF THE PROMISSORY NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE PROMISSORY NOTES.

Any interest paid or accrued on Promissory Notes will be income to the holder for federal income tax purposes. The investor generally will be liable for federal income tax on such interest, unless the investor is eligible for an exemption from federal tax with respect to such interest. Each investor will receive a Form 1099 in January of each year indicating the interest earned on the investment. Investors will not be taxed on the repayment of the principal of their loan

Notes which bear interest at "below-market" rates may fall within the imputed interest provisions of the Code (in particular, Code section 7872), which, in some cases, impose tax liability on investors for the difference between market rates and the interest actually paid. The Internal Revenue Service ("IRS") has issued temporary and proposed regulations interpreting these provisions. The temporary regulations state that certain loans carrying "below market" rates of interest will be exempted from the imputed interest provisions of the Code. The exemptions include a gift loan to a charitable organization that is described in Code section 170(c) if, at no time during the taxable year, the aggregate outstanding amount of loans by the lender to that organization (or to charitable organizations that are effectively controlled by the same person or persons who control that organization) exceeds $250,000.

The Fund has received an IRS determination that it is an exempt organization within the meaning of Code section 501 (c)(3) and a determination that it will be treated as a publicly supported organization under Code section 170(b)(1)(A)(vi). Such organizations are described in Code section 170(c). Therefore, under the above-mentioned regulations, a loan to the Fund which carries an interest rate that is below the market rate announced by the IRS will not be subject to the imputed interest provisions of the Code if the foregoing of interest on the loan by the holder is in the nature of a gift and if the amount of the loan, together with all other loans made by the investor to the Fund (or to charities controlled by the same person or persons who control the Fund), does not exceed $250,000. The holder would be entitled to no charitable deduction on account of any forgone interest that is exempt from the imputed interest provisions of Code section 7872 in the manner described in the preceding sentence.

If a holder loans to the Fund (or the Fund and to charities controlled by the same person or persons who control the Fund) an amount during a taxable year that, in the aggregate, exceeds $250,000 and the loan carries a below-market rate of interest, the investor may be treated as receiving imputed interest income and as making a corresponding charitable contribution, which will be subject to the limitations in the Code for charitable contribution deductions. It is possible, therefore, that some or all of the imputed interest income could be offset by a charitable deduction. The temporary regulations further provide that a below-market interest rate loan may also be exempt from the imputed interest provisions of Code section 7872 if the taxpayer can demonstrate that the interest arrangements of the loan have no significant effect on any federal tax liability of the Fund or holder. Whether the interest arrangements of a loan have a significant effect on any federal tax liability of the Fund or holder is determined on a loan-by-loan basis and is dependent upon all of the facts and circumstances.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN BY THE FUND TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS AND PROMISSORY NOTES ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PENDING LEGAL PROCEEDINGS

There are no material legal or administrative proceedings now pending against the Fund nor are there any such proceedings known to be threatened or contemplated by governmental authorities. In the normal course of business, the organization is subject to various pending or threatened litigation. In the opinion of management, the ultimate resolution of such litigation will not have a material adverse effect on the Fund's financial statements.

LEGAL OPINION

The law firm of Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103 has given a legal opinion to the Fund to the effect that the Promissory Notes, when issued pursuant to this offering, will constitute binding obligations of the Fund.

INDEPENDENT AUDITORS

The consolidated financial statements of Reinvestment Fund, Inc. and Affiliates as of and for the year ended December 31, 2016 included in this Registration Statement and Prospectus for $7,000,000 in Promissory Notes have been audited by RSM US LLP, independent auditors, as stated in their report appearing in Exhibit D (which report expresses an unmodified opinion).

MEETING OF THE BOARD OF DIRECTORS

The Board meets at least three times a year at a time and place determined by the Executive Committee or by the Fund's staff. Additionally the Executive Committee of the Board meets at least five times a year.

ANNUAL REPORTS

Audited financial statements will be made available annually to each holder of a Promissory Note within 120 days of the Fund's fiscal year-end. If you have elected, you will receive electronically, otherwise the Fund will provide via hard copy.

WITHDRAWAL RIGHTS

If you have accepted an offer to purchase these securities made pursuant to a prospectus which contains a written notice explaining your right to withdraw your acceptance pursuant to section 207(m) of the Pennsylvania Securities Act of 1972, you may elect, within two business days after the first time you have received this notice and a prospectus (which is not materially different from the final prospectus) to withdraw from your purchase agreement and receive a full refund of all moneys paid by you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, you need only send a written notice (including a notice by facsimile to 215-574-5919 or electronic mail to investorrelations@reinvestment.com) to the Fund indicating your intention to withdraw.

METHOD OF OFFERING

The Fund will seek loans from persons or organizations that are known to the Fund and believed to be interested in projects of this type and capable of bearing the risks. In addition, the Fund may publicly disseminate information about the Fund and this offering.

DISCLOSURE OF DEPARTMENT POSITION ON INDEMNIFICATION

FOR LIABILITIES UNDER SECURITIES LAWS

Article V of the Fund's Bylaws provides for indemnification of its directors and officers and other individuals designated by the Board against any liability incurred in connection with any proceeding in which such person may be involved as a party or otherwise, by reason of the fact that such person is or was serving as a director, officer, employee or agent of the Fund, or, at its request, as a director, officer, employee, agent or fiduciary of another entity or enterprise. It is the position of the Pennsylvania Department of Banking and Securities that indemnification in connection with violations of securities laws is against public policy and void.

Exhibit A *Investment № (_____)*

Loan Agreement with Investor

This is a Loan Agreement by and between (_____)("Investor(s)") whose address is (_____)and Reinvestment Fund, Inc., a Pennsylvania non-profit corporation ("Borrower"), whose address is 1700 Market Street, 19th Floor, Philadelphia, PA 19103, made and entered into on (_____).

Background

Borrower is organized for the purpose of providing financing to build wealth and opportunity for low-income communities and low- and moderate-income individuals, and Investor desires to support Borrower in doing so by lending the amounts set forth below, on the terms and conditions contained herein.

Now Therefore, intending to be legally bound, the Borrower and Investor agree as follows:

1) The Investor hereby agrees to make a loan to the Borrower in the Amount of (_____).

2) Borrower shall evidence this loan with a Promissory Note to the Investor for the total sum specified in paragraph 1. The loan shall bear simple interest at the rate of (___)% percent per annum. Interest on the loan shall be due and payable annually on (_____). If not sooner paid, the loan shall be due and payable on (_____) (the "Maturity Date"), unless the loan is renewed pursuant to paragraph 3 below.

3) Borrower shall provide written notice (the "Renewal Notice") to the Investor at the address set forth in the preamble of this Loan Agreement at least 30 days prior to the Maturity Date providing the Investor with the option, exercisable within 60 days after the Maturity Date, to receive payment in full of the amount of the loan or to renew the amount of the loan on terms agreed upon between Borrower and the Investor. The Renewal Notice will be accompanied by Borrower's Prospectus then in effect containing a description of the terms of the promissory notes that would be issued upon renewal. Within 60 days after the Maturity Date, the Investor shall provide a written response to Borrower at the address set forth in the preamble of this Loan Agreement indicating whether the Investor elects to receive payment in full or renew the amount of the loan. If the Investor elects to receive payment in full of the loan amount, the Investor shall not be entitled to receive interest on the amount of the loan after the Maturity Date. Notwithstanding anything contained herein to the contrary, if the Investor fails to provide a written response to the Borrower at the address set forth in the preamble of this Loan Agreement in response to the Renewal Notice within 60 days after the Maturity Date electing either to receive payment in full of the amount of the loan or to renew the amount of the loan, the Investor shall be deemed to have elected to have the entire amount of the loan renewed for the same duration as the original loan and the renewed loan shall be on the terms and conditions, including interest rate, then in effect for the promissory notes that the Borrower is then selling under the Borrower's Prospectus then in effect. Audited financial statements will be made available annually within 120 days of the Fund's fiscal year-end. If you have elected, you will receive electronically, otherwise we will provide via hard copy.

4) Funds from this loan shall be used solely by and for the purposes of Borrower, and the Borrower shall notify the Investor, upon request, of the use of the whole or any part of the funds from this loan.

5) **The Investor shall have the right to withdraw this loan within two business days after Investor receives this notice and the related Prospectus. Such withdrawal will be without liability to any person and all money paid by Investor shall be refunded without interest. To accomplish such a withdrawal, the Investor should send a letter by registered or certified U.S. mail or telegram to the Borrower indicating his or her intention to withdraw. Such a letter or telegram should be sent to the Borrower at the address set forth in the preamble of this Loan Agreement and postmarked before the end of the two day withdrawal period.**

6) Any party may change the address to which notices, requests and other communications hereunder are to be delivered by giving the other party written notice by registered or certified U.S. mail or telegram.

7) This loan agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

In Witness Whereof, Borrower and Investor have executed this Loan Agreement on (____).

BORROWER:
REINVESTMENT FUND, INC.

By: _____

Chief Financial Officer

INVESTOR:

By: _____

SS#_____

By: _____

SS#_____

Exhibit B

Dated: _____ PROMISSORY NOTE *Investment № (_____)*

For value received, Reinvestment Fund, Inc. ("Borrower") promises to pay (_____)("Investor(s)") the principal sum of (_____) with interest on the unpaid principal balance from the date of this promissory note at the rate of (_____) percent per annum. Interest shall be payable annually on (_____). The principal shall be payable at (_____) or such other place as the Investor (s) may designate. Any indebtedness evidenced by this Note, if not sooner paid, shall be due and payable on (_____) (the "Maturity Date").

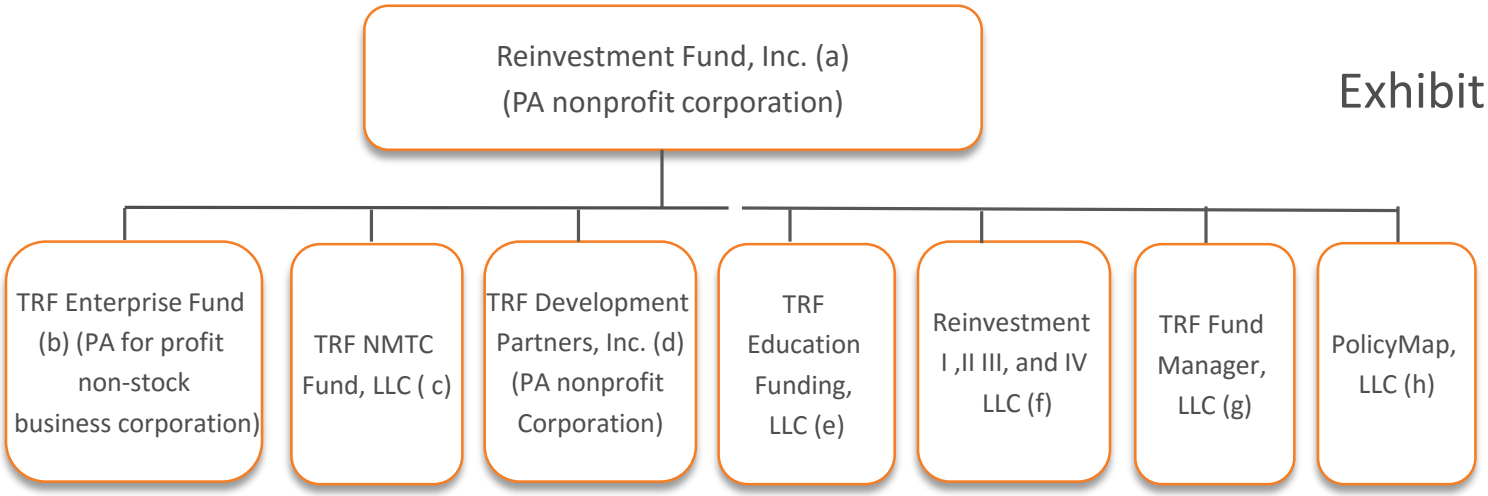
Borrower shall provide written notice (the "Renewal Notice") to the Investor at least 30 days prior to the Maturity Date providing the Investor with the option, exercisable within 60 days after the Maturity Date, to receive payment in full of the principal amount of this promissory note or to renew this Promissory Note on terms agreed upon between Borrower and the Investor. The Renewal Notice will be accompanied by Borrower's Prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. Note: If after the Maturity Date the Borrower exercises its option to receive payment in full, interest accrues only through the Maturity Date, not 'until paid'. If the Investor elects to receive payment in full of the principal amount of this promissory note, the Investor shall not be entitled to receive interest on the principal amount of this promissory note after the Maturity Date. Notwithstanding anything contained herein to the contrary, if the Investor fails to provide written notice to Borrower in response to the Renewal Notice within 60 days after the Maturity Date electing either to receive payment in full of the principal amount of this promissory note or to renew this promissory note, the Investor shall be deemed to have elected to have this promissory note renewed for the same duration as the promissory note originally issued and the renewed promissory note shall be on the terms and conditions, including interest rate, then in effect for the promissory notes that the Borrower is then selling under the Borrower's Prospectus then in effect. Audited financial statements will be made available annually within 120 days of the Fund's fiscal year-end. If you have elected, you will receive electronically, otherwise we will provide via hard copy.

By: _____

Chief Financial Officer

Reinvestment Fund, Inc. Corporate Structure

Exhibit C



(a) The Fund is a Community Development Financial Institution ("CDFI") and Community Development Entity ("CDE") incorporated in 1985.

(b) TRF Enterprise Fund, Inc. holds TRF's SBA license and related SBA-guaranteed small business loans receivable.

(c) TRF NMTC Fund, LLC is a managing member of subsidiary and affiliated CDEs to obtain Qualified Equity Investments ("QEIs") and make qualified New Market Tax Credit ("NMTC") investments. See Exhibit E.

(d) Effective January 1, 2017 TRF Development Partners, Inc. restructured its organizational documents with the effect that it is no longer under the governance of, and consolidated with Reinvestment Fund, Inc. See Exhibit F for additional affiliates.

(e) TRF Education Funding, LLC was formed to facilitate, encourage and assist in the financing of charter schools.

(f) Reinvestment I, LLC, Reinvestment II, LLC, Reinvestment III, LLC and Reinvestment IV, LLC were formed to acquire and manage distressed real properties.

(g) TRF Fund Manager, LLC was formed to support the NMTC program.

(h) PolicyMap, LLC ("PolicyMap") was formed January 1, 2016 as a wholly owned subsidiary of the Fund. Prior to formation, PolicyMap operated as a program within the Fund.

REINVESTMENT FUND

Exhibit D

Reinvestment Fund, Inc. and Affiliates

Consolidated Financial Report
December 31, 2016

Reinvestment Fund, Inc. and Affiliates

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RSM

RSM US LLP

Independent Auditor's Report
on the Consolidated Financial Statements

To the Board of Directors
Reinvestment Fund, Inc. and Affiliates
Philadelphia, Pennsylvania

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Reinvestment Fund, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements, (collectively, financial statements.)

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2016 financial statements of TRF Development Partners-Baltimore, LLC and Subsidiaries (Baltimore), a wholly-owned subsidiary, which statements reflect total assets constituting 4 percent of consolidated total assets at December 31, 2016, and total revenues constituting 5 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Baltimore for 2016, is based solely on the report of the other auditor. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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, based on our audits and the report of the other auditor for Baltimore for 2016, the financial statements referred to above present fairly, in all material respects, the financial position of Reinvestment Fund, Inc. and Affiliates as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Blue Bell, Pennsylvania
April 13, 2017

Reinvestment Fund, Inc. and Affiliates

Consolidated Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Cash, cash equivalents and certificate of deposit	$ 19,232,413	$ 13,207,785
Grants and contributions receivable	14,409,074	828,865
Investments in marketable securities	40,635,769	41,861,558
Loans and leases, less allowance for losses of $17,836,014 and $16,066,015, respectively	315,277,162	279,649,134
Equity method and program investments	784,688	761,616
Equipment, leasehold improvements and software, net	1,888,269	2,446,831
Property held for development or sale, net	7,191,426	5,863,087
Rental property, net	27,385,736	28,168,849
Other	7,583,439	7,121,872
Restricted cash and cash equivalents	31,361,698	27,596,390
Total Assets	$ 465,749,674	$ 407,505,987
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 2,925,696	$ 3,048,224
Escrow payable and due to third parties	4,785,934	3,846,205
Deferred revenue	2,663,244	2,968,853
Recoverable grants	6,043,681	5,793,681
Loans payable	265,992,166	230,706,000
Other	10,451,769	10,215,689
Total Liabilities	292,862,490	256,578,652
Commitments and Contingencies (Note 18)		
Net Assets		
Unrestricted	52,483,551	45,895,269
Unrestricted - Contractually limited as to use	9,184,120	9,181,356
Non-controlling interest in consolidated subsidiaries	5,244,409	5,858,885
Total Unrestricted	66,912,080	60,935,510
Temporarily restricted - Program	8,017,347	2,695,581
Temporarily restricted - Financing	38,639,816	33,537,828
Temporarily restricted - Re-granting	9,193,591	3,646,681
Total Temporarily restricted	55,850,754	39,880,090
Permanently restricted	50,124,350	50,111,735
Total Net Assets	172,887,184	150,927,335
Total Liabilities and Net Assets	$ 465,749,674	$ 407,505,987

See Notes to Consolidated Financial Statements.

Reinvestment Fund, Inc. and Affiliates
Consolidated Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted		Temporarily	Permanently	
	Controlling	Non-Controlling	Restricted	Restricted	Total
Financial Activity					
Financial Income					
Interest and dividend income from:					
Investments	$ 360,908	$ 65	$ 184,891	$ -	$ 545,864
Loans and leases	17,035,745	-	561,711	-	17,597,456
Investment gains, net:					
Equity gains in limited partnerships	37,641	-	-	-	37,641
Loan and lease fees	1,144,266	-	26,298	-	1,170,564
Asset management fee, net	1,777,093	(5,176)	-	-	1,771,917
Total Financial Income	20,355,653	(5,111)	772,900	-	21,123,442
Financial Expense					
Interest expense	6,656,418	50,735	-	-	6,707,153
Investment losses, net:					
Marketable securities	27,700	-	31,685	-	59,385
Provision for loan and lease losses	1,713,557	-	-	-	1,713,557
Total Financial Expense	8,397,675	50,735	31,685	-	8,480,095
Net Financial Income	11,957,978	(55,846)	741,215	-	12,643,347
Revenue and Support					
Grants and contributions	745,450	-	29,524,998	12,615	30,283,063
Program services and fees	5,677,979	61,029	-	-	5,739,008
Other income	99,486	-	-	-	99,486
Net assets released from restrictions	14,295,549	-	(14,295,549)	-	-
Total Revenue and Support	20,818,464	61,029	15,229,449	12,615	36,121,557
Program and General Expenses					
Program and General Expenses					
Program - Lending and Community Investing	13,547,126	-	-	-	13,547,126
Program - Policy Solutions	1,543,215	-	-	-	1,543,215
Program - PolicyMap	3,373,592	-	-	-	3,373,592
Program - Development Partners	2,635,828	1,045,282	-	-	3,681,110
Management and general	5,085,635	-	-	-	5,085,635
Total Program and General Expenses	26,185,396	1,045,282	-	-	27,230,678
Change in net assets - before partners' contributions	6,591,046	(1,040,099)	15,970,664	12,615	21,534,226
Partners' contributions, net	-	425,623	-	-	425,623
Total change in net assets	6,591,046	(614,476)	15,970,664	12,615	21,959,849
Net assets, beginning	55,076,625	5,858,885	39,880,090	50,111,735	150,927,335
Net assets, ending	$61,667,671	$5,244,409	$55,850,754	$50,124,350	$172,887,184
Total change in unrestricted net assets					$ 5,976,570

See Notes to Consolidated Financial Statements.

Reinvestment Fund, Inc. and Affiliates
Consolidated Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted		Temporarily	Permanently	
	Controlling	Non-Controlling	Restricted	Restricted	Total
Financial Activity					
Financial Income					
Interest and dividend income from:					
Investments	$ 330,648	$ 74	$ 86,103	$ -	$ 416,825
Loans and leases	13,988,180	-	468,682	-	14,456,862
Investment gains, net:					
Gain on transfer of limited liability company	49,314	-	-	-	49,314
Loan and lease fees	832,014	-	-	-	832,014
Asset management fee, net	1,572,265	(7,957)	-	-	1,564,308
Total Financial Income	16,772,421	(7,883)	554,785	-	17,319,323
Financial Expense					
Interest expense	5,406,659	2,131	-	-	5,408,790
Investment losses, net:					
Marketable securities	154,086	-	27,230	-	181,316
Loss on equity method investments	17,953	-	-	-	17,953
Provision for loan and lease losses	2,528,586	-	-	-	2,528,586
Total Financial Expense	8,107,284	2,131	27,230	-	8,136,645
Net Financial Income	8,665,137	(10,014)	527,555	-	9,182,678
Revenue and Support					
Grants and contributions	2,230,988	-	4,819,801	1,386,039	8,436,828
Program services and fees	5,747,871	140,745	-	-	5,888,616
Other income	42,828	19	-	-	42,847
Net assets released from restrictions	13,260,290	-	(13,260,290)	-	-
Total Revenue and Support	21,281,977	140,764	(8,440,489)	1,386,039	14,368,291
Program and General Expenses and Other Increases					
Program and General Expenses					
Program - Lending and Community Investing	8,952,713	-	-	-	8,952,713
Program - Policy Solutions	1,444,988	-	-	-	1,444,988
Program - PolicyMap	2,997,641	-	-	-	2,997,641
Program - Development Partners	4,950,977	932,122	-	-	5,883,099
Management and general	4,666,026	-	-	-	4,666,026
Total Program and General Expenses	23,012,345	932,122	-	-	23,944,467
Other Increases					
Charges related to revolving loan fund	-	-	-	(33,638)	(33,638)
Total Other Increases	-	-	-	(33,638)	(33,638)
Total Expenses and Other Increases	23,012,345	932,122	-	(33,638)	23,910,829
Change in net assets - before partners' contributions	6,934,769	(801,372)	(7,912,934)	1,419,677	(359,860)
Partners' contributions, net	-	1,902,163	-	-	1,902,163
Total change in net assets	6,934,769	1,100,791	(7,912,934)	1,419,677	1,542,303
Net assets, beginning	48,141,856	4,758,094	47,793,024	48,692,058	149,385,032
Net assets, ending	$ 55,076,625	$5,858,885	$ 39,880,090	$ 50,111,735	$ 150,927,335
Total change in unrestricted net assets					$ 8,035,560

See Notes to Consolidated Financial Statements.

Reinvestment Fund, Inc. and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets before partners' contributions	$ 21,534,226	$ (359,860)
Adjustments to reconcile change in net assets before partners' contributions to net cash provided by operating activities:		
Provision for loan and lease losses	1,713,557	2,528,586
Net charges related to revolving loan fund	-	(33,638)
Depreciation and amortization	2,189,269	2,268,332
Amortization of debt issuance costs	102,610	94,182
Deferred origination fees, net	144,731	528,253
Investment losses in marketable securities, net	59,385	181,316
Forgiveness of debt	(59,400)	(198,000)
Non-cash grant support	(6,599)	-
Investment (gain)/loss in equity method investments	(37,641)	17,953
Gain on transfer of limited liability company	-	(49,314)
Decrease (increase) in:		
Grants and contributions receivable	(13,580,209)	8,440,940
Restricted cash, cash equivalents and certificate of deposit	(3,765,308)	(791,775)
Property held for development or sale	(1,328,338)	4,307,713
Other assets	(2,330,366)	(3,077,943)
Increase (decrease) in:		
Accounts payable and accrued expenses	(122,528)	459,300
Escrow payable and due to third parties	939,729	(1,541,632)
Deferred revenue	(305,609)	446,644
Other liabilities	236,080	(49,241)
Recoverable grant payable	250,000	423,964
Net cash provided by operating activities	5,633,589	13,595,780
Cash Flows from Investing Activities		
Purchases of marketable securities	(40,961,648)	(47,808,201)
Proceeds from sale of marketable securities	42,128,052	49,280,075
Proceeds from transfer of limited liability company	-	33,256
Purchases of limited partnerships	(4,219)	(197,618)
Distributions from equity method investments	17,908	2,019
Cash disbursements on loans receivable	(101,340,480)	(138,373,584)
Cash receipts on loans receivable	65,587,733	76,523,860
Principal payments received under leases	123,448	107,875
Forgiveness of loans receivable	12,661	-
Increase in rental property	(430,787)	(5,907,226)
Additions of equipment, leasehold improvements and software development, net of disposals	(416,807)	(946,055)
Net cash used in investing activities	(35,284,139)	(67,285,599)
Cash Flows from Financing Activities		
Proceeds from issuance of loans payable	123,501,666	78,777,803
Principal payments on loans payable	(87,953,531)	(38,982,524)
Proceeds from due to third parties	-	7,722,000
Reinvested interest on investors payable	131,535	106,024
Assignment of debt to homebuyers	(252,500)	(20,000)
Cash paid for debt issuance costs	(177,615)	(57,387)
Cash distributions to non-controlling interest	(18,765)	-
Cash contributions from non-controlling interest	444,388	1,902,163
Net cash provided by financing activities	35,675,178	49,448,079
Net increase (decrease) in cash and cash equivalents	6,024,628	(4,241,740)
Cash and cash equivalents, beginning	13,207,785	17,449,525
Cash and cash equivalents, ending	$ 19,232,413	$ 13,207,785

(Continued)

See Notes to Consolidated Financial Statements.

Reinvestment Fund, Inc. and Affiliates

Consolidated Statements of Cash Flows (Continued)
For the Years Ended December 31, 2016 and 2015

	2016	2015
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 6,583,345	$ 5,834,677
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
Forgiveness of debt	$ 59,400	$ 198,000
Conversion of interest and fees receivable into loans receivable	$ 1,869,678	$ 1,147,744
Non-cash assets received from transfer of limited liability company		
Accounts receivable	$ -	$ 16,065

See Notes to Consolidated Financial Statements.

Note 1. Summary of Significant Accounting Policies

Description of Organization and Activities:

Founded in 1985, Reinvestment Fund, Inc. ("Reinvestment Fund") is a Community Development Financial Institution ("CDFI"). A CDFI is a mission-driven financial institution dedicated to expanding economic opportunity in low-income communities through responsible, affordable lending. Reinvestment Fund's mission is to build wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. Reinvestment Fund and Affiliates, listed below, (collectively the "Organization") are affiliated organizations, related by common Board members and management, operating as a unified organization with focused vision, strategy, and management systems. The Organization's principal sources of revenue and support are interest income and loan fees earned from its investing and lending activities, grants and contributions, and program services and fees.

A description of each affiliated entity and its operations is summarized below.

Reinvestment Fund, Inc.: Reinvestment Fund is a Pennsylvania not-for-profit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Reinvestment Fund is a catalyst for change in low-income communities. It integrates data, policy and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, it brings high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access-creating anchors that attract investment over the long term and help families lead healthier, more productive lives. Reinvestment Fund serves communities across the country.

TRF Enterprise Fund, Inc.: TRF Enterprise Fund, Inc. ("EFI") is a Pennsylvania for-profit non-stock business corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, wholly owned by Reinvestment Fund. EFI is incorporated to enable it to achieve its charitable purpose of being a Small Business Administration ("SBA") Non-Bank Participating Lender. EFI provides urban-based entrepreneurs access to credit that they currently do not have, to increase services and job opportunities in under-served communities and to provide ownership and wealth creation opportunities, especially to minority and female entrepreneurs. In accordance with federal law, EFI is regulated by the Pennsylvania Department of Banking and Securities and is licensed to do business under the Consumer Discount Company Act.

TRF NMTC Fund, LLC: TRF NMTC Fund, LLC ("NMTC") is a Delaware limited liability company, wholly owned by Reinvestment Fund. NMTC was formed as a result of Reinvestment Fund receiving an allocation of New Market Tax Credits from the U.S. Department of the Treasury that obtains equity investments from investors and makes investments in Qualified Active Low-Income Community Businesses as defined in the operating agreement. NMTC had one wholly owned subsidiary, TRF NMTC Fund IV, LP, a Pennsylvania limited liability company which was dissolved on January 14, 2015.

TRF Development Partners, Inc.: TRF Development Partners, Inc. ("DP") is a Pennsylvania not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with the following subsidiaries:

Subsidiary	Acronym	Location
TRF Development Partners-Baltimore, LLC and subsidiaries	("Baltimore")	Baltimore, MD
TRF Development Partners-Philadephia, LLC	("Philly")	Philadelphia, PA
TRF DP Ridge Avenue, LLC	("Ridge")	Neptune, NJ
TRF DP Scotland Commons, Inc.	("Scotland Commons")	Williamstown, NJ
TRF DP Buford Manlove Manor, LLC and subsidiaries	("Manlove Manor")	Wilmington, DE
TRF DP-Jackson Green, LLC	("Jackson Green")	Jersey City, NJ
East Baltimore Managing Member, Inc. and subsidiary	("EBMM")	Baltimore, MD
East Baltimore Master Tenant Inc. and subsidiary	("EBMT")	Baltimore, MD
East Baltimore Managing Member II, Inc. and subsidiary	("EBMMII")	Baltimore, MD
East Baltimore Master Tenant Manager II, Inc. and subsidiary	("EBMTII")	Baltimore, MD
East Baltimore Managing Member III, Inc. and subsidiary	("EBMMIII")	Baltimore, MD
East Baltimore Master Tenant Manager III, Inc. and subsidiary	("EBMTIII")	Baltimore, MD
TRFDP Mount Holly Urban Renewal, LLC	("Mount Holly")	Mount Holly, NJ

Note 1. Summary of Significant Accounting Policies (Continued)

Description of Organization and Activities (Continued):

TRF Development Partners, Inc. (Continued): DP together with its wholly owned Subsidiaries (collectively "Development Partners") uses Reinvestment Fund's data resources and development plans to help it assemble land and participate in real estate transactions (rental and for-sale housing) in designated communities, concentrating in areas where it has a compelling mission interest.

TRF Education Funding, LLC: TRF Education Funding, LLC ("Education Funding") is a Delaware limited liability company, wholly owned by Reinvestment Fund. Education Funding was formed to manage Reinvestment Fund's investment in the Charter School Financing Partnership, LLC ("CSFP"). CSFP was formed to facilitate, encourage and assist in the financing of charter school facilities.

Reinvestment I, LLC, Reinvestment II, LLC, Reinvestment III, LLC and Reinvestment IV, LLC: Reinvestment I, LLC ("Reinvest I"), Reinvestment II, LLC ("Reinvest II"), Reinvestment III, LLC ("Reinvest III") and Reinvestment IV, LLC ("Reinvest IV") are Pennsylvania limited liability companies, each wholly owned by Reinvestment Fund. These entities were formed to acquire and manage distressed real estate acquired through foreclosure or deed in lieu of foreclosure and to prepare properties for sale. These entities are inactive and hold no other real estate held for sale ("OREO").

TRF Fund Manager, LLC: TRF Fund Manager, LLC ("Fund Manager") is a Delaware limited liability company, wholly owned by Reinvestment Fund. Fund Manager was formed to act as a non-member manager for the Chase NMTC TRF Charter School Investment Fund, LLC, a non-Reinvestment Fund entity, and a (.01%) member manager of Chase NMTC TRF 2011 Investment Fund, LLC, Chase NMTC PHN Investment Fund, LLC, 481 Philabundance Investment Fund, LLC and Chase NMTC Liberty Heights Investment Fund, LLC.

TC-TRF QEI, LLC: TC-TRF QEI, LLC ("TC-TRF") is a Delaware limited liability company wholly owned by Reinvestment Fund. TC-TRF was formed as the limited partner of TRF NMTC Fund IV, LP ("Fund IV") which was dissolved on January 14, 2015. TC-TRF was cleared of all activity in April 2015 and is pending a reply from The Commonwealth of Pennsylvania as to the dissolution.

PolicyMap, LLC: PolicyMap, LLC ("PolicyMap") was formed January 1, 2016 as a wholly owned subsidiary of Reinvestment Fund. Prior to formation, PolicyMap operated as a program within Reinvestment Fund.

The Organization has four major programs, one that makes up the Organization's financing program, two that provide public information and analysis, and one that develops residential real estate:

1) *Lending and Community Investing:* Encompasses the Organization's financing of homes, schools, healthy food retail, healthcare facilities, childcare facilities, clean energy projects and other community assets that benefit low-wealth people and places and is the core lending function of the Organization.

2) *Policy Solutions:* Conducts policy, data analysis and social impact analyses that advance Reinvestment Fund's mission and effect system change, on behalf of Reinvestment Fund as well as public and philanthropic clients.

3) *PolicyMap*: Provides an on-line data analysis and mapping tool that provides broad access to data, reports and analytics useful for social investment strategies.

4) *Development Partners:* Participates in real estate transactions (rental and for-sale housing) to create opportunity for disadvantaged families by directing capital into distressed urban neighborhoods in a way that encourages additional private investment and reconnects the places and people it serves to a broader and more dynamic socioeconomic system.

Principles of Consolidation: Accounting guidance on reporting of related entities requires not-for-profit organizations with a controlling and economic interest in other organizations to consolidate those other organizations. Accordingly, the consolidated financial statements include the accounts of EFI, NMTC, DP, Education Funding, Reinvest I, Reinvest II, Reinvest III, Reinvest IV, Fund Manager, TC-TRF and PolicyMap. All significant intra-organization accounts and transactions have been eliminated in consolidation.

Note 1. Summary of Significant Accounting Policies (Continued)

Various affiliated companies (Note 8) do not meet the criteria requiring consolidation and are therefore not included in the consolidated financial statements.

Non-Controlling Interest in Consolidating Subsidiaries: Non-controlling interest represents the equity interests in consolidated subsidiaries, exclusive of any Reinvestment Fund interests. At December 31, 2016 and 2015, the non-controlling interests relate to Duncan Square, LLC (a subsidiary of TRF Development Partners-Baltimore, LLC), Buford Manlove Members, LLC (a subsidiary of TRF DP Buford Manlove Manor, LLC), East Baltimore Historic I, LLC (a subsidiary of East Baltimore Managing Member, Inc.), East Baltimore Historic II, LLC (a subsidiary of East Baltimore Managing Member II, Inc.) and East Baltimore Historic III, LLC (a subsidiary of East Baltimore Managing Member III, Inc.).

Use of Estimates: The preparation of financial statements 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 revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Certificates of Deposit: The Organization considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash equivalents. The Organization holds certificates of deposit with an original maturity date of one year or less. Cash, cash equivalents and certificates of deposit for purposes of the consolidated statement of cash flows excludes restricted cash.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents include cash and cash equivalents held in escrow, cash received from certain lenders and grantors and cash pledged to a bank. The use of such amounts is restricted by the related underlying loan or grant agreements.

The escrow cash accounts include reserve accounts held for borrowers and intended for specific purposes. In the event of a cash flow shortfall, the operating reserve is designated for operating expenses of the project and the debt reserve is designated for principal payments. Interest reserves are designated for monthly interest payments on specific loans. Repair and replacement reserves are designated for capital improvements.

Valuation of Investments in Marketable Securities: The Organization determines the fair value of each investment at the consolidated statement of financial position date. The fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts and fair value measurements are separately disclosed by level within the fair value hierarchy.

Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions. In accordance with this guidance, the Organization groups its assets and liabilities carried at fair value in three levels as follows:

Level 1 Inputs:

1) Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs:

1) Quoted prices for similar assets or liabilities in active markets.
2) Quoted prices for identical or similar assets or liabilities in markets that are not active.
3) Inputs other than quoted prices that are observable, either directly or indirectly, for the term of the asset or liability (e.g., interest rates, yield curves, credit risks, prepayment speeds or volatilities) or "market corroborated inputs."

Note 1. Summary of Significant Accounting Policies (Continued)

Valuation of Investments in Marketable Securities (Continued):

Level 3 Inputs:

1) Prices or valuation techniques that require inputs that are both unobservable (i.e. supported by little or no market activity) and that are significant to the fair value of the assets or liabilities.
2) These assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Investments in Marketable Securities: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Any unrealized gains or losses are reported in the consolidated statement of activities as a change in unrestricted net assets, unless explicit donor intent or law restricts their use. Accordingly, investments are recorded at fair value and are classified as Level 1, 2, or 3 (Note 21).

Loans and Leases Receivable:

Loans: Loans receivable are stated at the principal amount outstanding, net of deferred loan fees and allowance for losses. Interest income on loans is accrued on the principal outstanding at the loans' stated interest rate unless the loan is in default, then the default rate may apply. Loan origination fees, net of direct origination costs are deferred and amortized using the effective interest method over the respective lives of the related loans and are recorded as an adjustment to loan fee revenue.

Leases: All of the Organization's leases are classified and accounted for as direct financing leases. Under the direct financing method of accounting for leases, the total lease payments receivable under the lease contracts and the estimated unguaranteed residual value of the leased equipment, net of unearned income, and an allowance for lease losses, are recorded as a net investment in direct financing leases and the unearned income is recognized each month as it is earned so as to provide a constant periodic rate of return on the unrecovered investment.

Non-Accrual of Loans and Leases: Loans are considered past due if the required principal and interest payments have not been received 30 days from the date such payments were due. The Organization generally places a loan on non-accrual status when interest or principal is past due 90 days or more. If it otherwise appears doubtful that the loan will be repaid, management may place the loan on nonaccrual status before the lapse of 90 days. Interest on loans past due 90 days or more ceases to accrue except for loans that are in the process of collection. When a loan is placed on nonaccrual status, previously accrued and unpaid interest is reversed out of income. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan and Lease Losses: The allowance for loan and lease losses is a valuation reserve that management believes will be adequate to absorb possible losses on existing loans and leases that may become uncollectible. It is established through a provision for loan and lease losses charged to expense. In addition, loans and leases deemed to be uncollectible are charged against the allowance. Subsequent recoveries, if any, are credited to the allowance. The allowance is based upon management's periodic review of the collectability of loans and is maintained at a level believed adequate by management to absorb estimated potential losses after considering changes in internal and external factors, past loss experience, the nature and volume of the portfolio and current economic conditions. However, the allowance is an estimate that could change if there are significant changes in the portfolio and/or economic conditions.

The allowance consists of specific and general components. The specific component relates to loans that are classified impaired. For such loans, an allowance is established when the discounted cash flows (or collateral value for collateral dependent loans or observable market price) of the impaired loan is lower than the carrying value (less cost of disposal) of that loan. The general component covers loans not deemed impaired and is based on historical loss experience adjusted for qualitative factors. These include internal factors such as trends in policies, underwriting standards, lien position, bullet maturities, charge-offs, non-accruals and credit management processes, as well as external factors such as national and local economic conditions and industry trends. Any unallocated component of the allowance is minimal and reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

Note 1. Summary of Significant Accounting Policies (Continued)

A loan or lease is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the original loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan or lease and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is generally measured on a case by case basis using the fair value of the collateral, if the loan is collateral dependent, the present value of expected future cash flows discounted at the loans effective interest rate or the loan's observable market price.

Loans where the borrower is in financial difficulty and where the Organization has made a concession that it would not otherwise consider, are deemed troubled debt restructurings ("TDRs") and included in impaired loans. Impairment on TDRs is measured by the present value of expected future cash flows under the restructuring agreement.

Equity Method and Program Investments: Equity method investments are accounted for under the equity method of accounting under which the Organization's share of net income or loss is recognized in the consolidated statement of activities and added or subtracted from the investment account, and distributions received are treated as a reduction of the investment account. Program investments are recorded at estimated fair value since no public market exists for the investments (Level 3). Fair value is determined in good faith by the management of the Organization by taking into consideration the cost of the securities, prices of recent significant placements of securities by the same issuer, subsequent developments concerning the companies to which the securities relate, any financial data and projections of such companies provided to management, and such other factors as management may deem relevant.

Equipment, Leasehold Improvements and Software: Equipment, leasehold improvements and software consists of furniture and equipment, leasehold improvements and software development costs that are stated at cost and depreciated using the straight-line method over the estimated lives of the related assets, which range from three to fifteen years. Leasehold improvements are stated at cost and depreciated using the straight-line method over the shorter of the useful life or expected lease term. Software development costs are stated at cost and amortized using the straight-line method over the estimated useful life. Application development costs incurred to develop internal use software are capitalized and amortized over the expected useful life of the software application. Activities that are considered application development include design of software configuration and interfaces, coding, installation of hardware, and testing. All other expenses incurred to develop internal use software are expensed as incurred. The Organization capitalizes fixed assets with a cost greater than $1,000 and useful life greater than one year.

Property Held for Development or Sale: Property held for development or sale is stated at cost or estimated net realizable value, whichever is lower. Cost includes land, land approval and improvement costs, direct construction costs, construction overhead costs and other indirect costs of development and construction. Housing construction and related costs are charged to cost of housing sales generally under the specific identification method. The Organization capitalizes housing costs during construction phase through (approximately) 45 days after the issuance of a Certificate of Occupancy. After that time, costs greater than $1,000 and a useful life of greater than one year are capitalized.

Rental Property: Rental property is stated at cost. Costs to complete construction of units (construction in progress) are included in property held for development or sale. Once completed, these costs are reclassified from property held for development or sale to rental property and are depreciated using the straight-line method over 26.5 years. As of December 31, 2016 and 2015, respectively, 173 and 168 units were included in rental property. The Organization capitalizes improvements with a cost greater than $1,000 and a useful life of greater than one year.

Other Assets: Other assets include accounts due from third parties, including tenant receivables; interest receivable; prepaid expenses; development rights; and investment in the Federal Home Loan Bank of Pittsburgh (the "FHLB").

In 2014, Reinvestment Fund was granted membership to the FHLB. As a member of the FHLB, Reinvestment Fund is required to maintain an investment in capital stock of the FHLB. FHLB Stock does not have a readily determinable value as ownership is restricted and there is no ready market for this stock. As a result, this investment is carried at cost and evaluated periodically by management for impairment. At December 31, 2016 and 2015, the investment was $521,500 and $457,500, respectively. Management reviews for impairment based on the ultimate recoverability of the cost basis of the FHLB stock. No impairment was noted as of December 31, 2016 or 2015.

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Revenue: Deferred revenue consists of amounts received in advance for fees, contracted services and licenses. Amounts will be recognized when such services are provided or over the applicable period in a rational and consistent manner.

Other Liabilities: Other liabilities include interest payable, accrued lease incentive, and other liabilities.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Organization, (2) the transferee obtains the right to pledge or exchange the transferred assets and no condition both constrains the transferee from taking advantage of that right and provides more than a trivial benefit for the transferor, and (3) the transferor does not maintain effective control over the transferred assets through either (a) an agreement that both entitles and obligates the transferor to repurchase or redeem the assets before maturity or (b) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

Contributions: The Organization accounts for contributions as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

When the donor restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions receivable, which represent unconditional promises to give, are recognized as revenue in the period awarded and as assets, decreases of liabilities or decreases of expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the net present value of the estimated cash flows beyond one year using a risk-free rate of return appropriate for the expected term of the promise to give.

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recorded when the conditions on which they depend are substantially met.

Other Income: Other income primarily represents consulting fee income.

Functional Expense Allocation: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes: The Organization is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Organization had no net unrelated business income tax for the years ended December 31, 2016 and 2015.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Consequently, no accrual for interest and penalties was deemed necessary for the years ended December 31, 2016 and 2015. The Organization files income tax returns in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2013.

Recent Accounting Pronouncement Adopted: In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented on the statement of financial position as a direct reduction from the carrying amount of that debt liability. The Organization adopted the ASU during the year ended December 31, 2016 and applied it retrospectively to 2015.

Note 1. Summary of Significant Accounting Policies (Continued)

The Organization is currently evaluating the effect that the following updated standards will have on the financial statements.

Recent Accounting Pronouncements Not Yet Adopted: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB voted to delay the effective date of the proposed standard (ASU 2015-14, *Revenue from Contracts with Customers*, Deferral of the Effective Date). The updated standard will be effective for annual reporting periods beginning after December 15, 2018.

In January 2016, FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.* ASU 2016-01 includes a number of amendments that address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this Update are effective for the Organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. One of the amendments eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The Organization has elected to early adopt the amendment that no longer requires disclosure of the fair value of financial instruments that are not measured at fair value, as described above effective January 1, 2015.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) which supersedes FASB ASC Topic 840, *Leases* (Topic 840) and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. Lessor accounting is mostly unchanged from the current model, but updated to align with certain changes to the lessee accounting model and the new revenue recognition standard. The ASU is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted.

Note 1. Summary of Significant Accounting Policies (Continued)

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable.

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control.* ASU 2016-17 modifies existing guidance with respect to how a decision maker that holds an indirect interest in a VIE through a related party under common control determines whether it is the primary beneficiary of the VIE as part of the analysis of whether the VIE would need to be consolidated. Under ASU 2016-17, a decision maker would need to consider only its proportionate indirect interest in the VIE held through a related party under common control. As a result of ASU 2016-17, in certain cases, previous consolidation conclusions may change. ASU 2016-17 is effective for annual periods beginning after December 15, 2016.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning on January 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted.

In January 2017, the FASB issued ASU 2017-02, *Not-for-Profit Entities–Consolidation (Subtopic 958-810): Clarifying When a Not-for-Profit Entity That Is a General Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*. This ASU amends the consolidation guidance in Subtopic 958-810 to maintain current practice. Therefore, under the amendments, a not-for-profit entity that is a general partner continues to be presumed to control a for-profit limited partnership, regardless of the extent of its ownership interest, unless that presumption is overcome. The presumption is overcome if the limited partners have either substantive kick-out rights or substantive participating rights. To be substantive, the kick-out rights must be exercisable by a simple majority vote of the limited partners' voting interests or a lower threshold. ASU 2017-02 is effective for not-for-profit entities for fiscal years beginning after December 15, 2016, with early adoption is permitted.

Reclassifications: Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation.

Note 2. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents at December 31 consisted of the following:

	2016	2015
Fresh Food Financing Initiative ("FFFI")	$ 6,881,453	$ 2,911,482
Escrow payable and due to third parties	4,612,911	4,580,449
Pennsylvania Green Energy Loan Fund ("GELF")	619,783	63,543
SDF programs	104,989	288,741
United States Department of Education ("US ED") funds for charter school lending programs	574,113	4,760,453
Charter School Loan Fund for credit enhancements	2,187,244	2,181,859
Greenworks energy loan fund	384,073	528,091
EnergyWorks loan fund	7,305,480	7,384,133
Capital Magnet Fund	-	3,294,134
Pennsylvania State Energy Program ("SEP")	6,611	18,983
CDFI-Bond Guarantee Program ("Bond Program")	2,147,068	688,929
Baltimore Energy Efficiency	450,961	458,324
Philadelphia Authority of Industrial Development - Gap financing	3,204,771	437,269
Other grants	2,882,241	-
	$ 31,361,698	$ 27,596,390

Note 3. Investments in Marketable Securities

Investments at December 31 consisted of the following:

	2016	2015
Investments in marketable securities:		
Debt and Mortgage-backed securities:		
Federal Home Loan Bank	$ -	$ 124,755
Federal Home Loan Mortgage Company	10,729,093	3,965,002
Federal National Mortgage Association	9,740,843	10,207,008
U.S. Treasury Notes and Bills	9,144,125	12,782,184
Corporate debt securities	11,021,708	14,782,609
	$ 40,635,769	$ 41,861,558
Included in the above are:		
Investments in marketable securities restricted as to use:		
US ED funds for charter school lending programs	$ 19,318,392	$ 13,733,065
SDF programs	549,856	7,626,477
GELF	840,520	829,806
SEP	1,380,645	1,365,255
	$ 22,089,413	$ 23,554,603

Investment net losses of $59,385 and $181,316 were included on the consolidated statement of activities under the investments captions for the years ended December 31, 2016 and 2015, respectively.

Expenses relating to investment income, including custodial and advisory fees amounted to $77,314 and $75,656 for the years ended December 31, 2016 and 2015, respectively. These expenses have been netted against interest income from marketable securities in the consolidated statement of activities.

Note 4. Grants and Contributions Receivable

Grants and contributions receivable at December 31 consisted of the following:

	2016	2015
Programs		
Lending	$ 6,936,665	$ 778,865
Policy Solutions	331,709	50,000
	7,268,374	828,865
Financing		
Lending	5,000,000	-
Development Partners	90,700	-
	5,090,700	-
Re-granting		
Lending	2,050,000	-
	$ 14,409,074	$ 828,865

At December 31, 2016 and 2015, grants and contributions receivable totaling $14,235,649 and $828,865, respectively, were due within one year and $173,425 and $0, respectively, were due within one to five years. All grants and contributions receivable are unsecured.

Note 4. Grants and Contributions Receivable (Continued)

At December 31, 2016, grants and contributions receivable included $5,000,000 from the Community Development Financial Institutions Fund ("CDFI Fund"). Authorized uses of these funds are for financial assistance in the amount of $2,000,000 and $3,000,000 committed to Healthy Food Financing Initiative ("HFFI").

At December 31, 2016, grants and contributions receivable included $8,086,665 receivable from two private foundations. At December 31, 2015, grants and contributions receivable included $828,865 from two private foundations.

Note 5. Concentration of Credit Risk

The Organization maintains cash in various financial institutions with insurance provided by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times during the years ended December 31, 2016 and 2015, the Organization had cash balances in excess of the FDIC limits. At December 31, 2016 and 2015, the cash balances in excess of FDIC limits approximated $46,602,000 and $31,497,000, respectively. At December 31, 2016 and 2015, total cash equivalents include short-term money market funds of approximately $1,398,000 and $4,270,000, respectively, which are separately collateralized by securities held by the financial institution. All other cash equivalents represent short-term government holdings.

At December 31, 2016, at least 89.0% of the Organization's loans receivable due were used to fund projects within the mid-Atlantic region. Additionally, at December 31, 2016, the Organization's portfolio of education, food commerce and commercial enterprise loans constituted 40.5%, 17.7% and 22.5%, of total loans outstanding, respectively. As such, the ability of the Organization's borrowers to honor their contracts is dependent upon the viability of the commercial real estate sectors, healthy food retailers and charter schools in the mid-Atlantic region.

Approximately 10% and 12% of the total loans receivable portfolio represents loans made to entities associated with the NMTC program at December 31, 2016 and 2015, respectively. Of these amounts, 11% and 10% represent loans to related parties at December 31, 2016 and 2015, respectively.

Note 6. Loans and Leases Receivable

Loans and leases receivable at December 31 consisted of the following:

	2016	2015
Education	$ 134,950,264	$ 92,690,548
Food commerce	59,035,467	69,420,919
Commercial enterprise	74,849,804	71,740,412
Healthcare	20,122,347	21,498,188
Housing	27,059,507	20,608,263
Community resources	17,095,787	19,756,819
	333,113,176	295,715,149
Allowance for loan and lease losses	(17,836,014)	(16,066,015)
	$ 315,277,162	$ 279,649,134

Net deferred loan costs of $2,021,296 and $1,876,565 have been included in the carrying value of loans receivable as of December 31, 2016 and 2015, respectively.

Education: Education loans include loans to organizations to purchase, build, improve, operate or provide operating space for accredited schools or preschools. Includes loans to fund public and private K-12 schools, infant care and preschool programming, colleges and universities, and adult education facilities and programs. The loans are underwritten with first or second liens on available real estate (as applicable) or blanket liens on all of the borrower's assets as collateral and loan-to-value ratios of less than 100% of the lesser of cost or appraised value at stabilization. Most loans are originated at a loan-to-value ratio of less than 90%.

Note 6. Loans and Leases Receivable (Continued)

Food Commerce: Healthy food retail loans include loans for supermarkets or grocery stores in underserved areas, as well as other mixed-use real estate borrowers. Loans include all forms of financing used to purchase, build, improve, equip, stock, otherwise operate or provide the operating space for a business directly involved in the production, preparation, wholesale distribution or retail sale of grocery foods. This includes grocery stores, farmers markets and produce stands and also includes equipment and facilities for food distributors and producers. The loans are underwritten with liens on all business assets including inventory and loan-to-value ratios of less than 100% of cost at stabilization. Most loans are originated at a loan-to-value ratio of less than 90%.

Commercial Enterprise: Commercial enterprise loans include loans for non-residential real estate, with an emphasis on borrowers that provide amenities to low income communities. Loans include all forms of financing used to purchase, build, improve, operate or provide operating space for privately held, revenue-driven enterprises. The loans are underwritten with first or second liens on available real estate (as applicable) and loan-to-value ratios of less than 100% of the lesser of cost or appraised value at stabilization. Most loans are originated at a loan-to-value ratio of less than 90%.

Healthcare: Loans to community health centers with a focus on Federally Qualified Health Centers that serve medically underserved areas or population. Loans include all forms of financing used to purchase, build, improve or otherwise operate a business dedicated to health services staffed by medical professionals and/or paraprofessionals. This includes financing for public and private primary and advanced care facilities, behavioral and dental health care facilities, addiction and recovery services, medical equipment and wellness services including nutrition. The loans are underwritten with first or second liens on available real estate (as applicable) and all of the borrower's assets, including the assignment of grants receivable, and loan-to-value ratios of less than 90% at stabilization.

Housing: Housing loans finance a diverse group of borrowers including nonprofit community-based organizations, nonprofit and for-profit developers, and special needs housing providers through predevelopment, acquisition, construction and term lending. Loans include forms of financing used to purchase, build, improve or operate single-family or multi-unit homes in neighborhoods where quality affordable housing is in short supply. Most loans are underwritten with first mortgage liens as collateral (as applicable) and loan-to-value ratios of less than 100% of the lesser of cost or appraised value at stabilization. Most loans are originated at a loan-to-value ratio of less than 90%.

Community Resources: Community resource loans include loans to mission-driven organizations to provide public services to low income communities. This includes businesses with a stated public service mission such as arts and cultural organizations, religious and civic organizations, social service and training organizations, museums and libraries, and food banks. The loans are underwritten with first or second liens on available real estate (as applicable) or blanket liens on all of the borrower's assets as collateral and loan-to-value ratios of less than 100% of the lesser of cost or appraised value at stabilization. Most loans are originated at a loan-to-value ratio of less than 90%.

Outstanding loans, other than pre-development loans, have annual interest rates ranging from 0% to 8.75%. Loans and leases receivable have various maturities through 2045.

Note 6. Loans and Leases Receivable (Continued)

An age analysis of past due loans segregated by class as of December 31 is as follows:

2016						
	Accruing					
(in 000's)	Loans 31-90 Days Past Due	Loans 91+ Days Past Due	Non-Accrual Loans (Current and Past due)	Total Past Due and Non-Accrual Loans	Current Loans	Total Loans
Education:						
Commercial Mortgages	$ -	$ -	$ 6,159	$ 6,159	$ 97,558	$ 103,717
Construction, Pre-development and Acquisition	-	-	293	293	30,940	31,233
Total Education loans	-	-	6,452	6,452	128,498	134,950
Food Commerce:						
Commercial Mortgages	-	-	393	393	45,433	45,826
Construction, Pre-development and Acquisition	-	-	-	-	13,209	13,209
Total Food Commerce loans	-	-	393	393	58,642	59,035
Commercial Enterprise:						
Commercial Mortgages	-	-	-	-	58,610	58,610
Construction, Pre-development and Acquisition	-	-	-	-	16,240	16,240
Total Commercial Enterprise loans	-	-	-	-	74,850	74,850
Healthcare:						
Commercial Mortgages	-	-	-	-	20,122	20,122
Construction, Pre-development and Acquisition	-	-	-	-	-	-
Total Healthcare loans	-	-	-	-	20,122	20,122
Housing:						
Commercial Mortgages	28	-	-	28	13,961	13,989
Construction, Pre-development and Acquisition	-	-	2,761	2,761	10,310	13,071
Total Housing loans	28	-	2,761	2,789	24,271	27,060
Community Resources:						
Commercial Mortgages	-	-	-	-	12,727	12,727
Construction, Pre-development and Acquisition	-	-	-	-	4,369	4,369
Total Community Resources loans	-	-	-	-	17,096	17,096
Total loans	$ 28	$ -	$ 9,606	$ 9,634	$ 323,479	$ 333,113

Note 6. Loans and Leases Receivable (Continued)

2015						
	Accruing					
(in 000's)	Loans 31-90 Days Past Due	Loans 91+ Days Past Due	Non-Accrual Loans (Current and Past due)	Total Past Due and Non-Accrual Loans	Current Loans	Total Loans
Education:						
Commercial Mortgages	$ 4	$ -	$ -	$ 4	$ 76,883	$ 76,887
Construction, Pre-development and Acquisition	-	-	306	306	15,498	15,804
Total Education loans	4	-	306	310	92,381	92,691
Food Commerce:						
Commercial Mortgages	-	-	418	418	49,246	49,664
Construction, Pre-development and Acquisition	-	-	-	-	19,757	19,757
Total Food Commerce loans	-	-	418	418	69,003	69,421
Commercial Enterprise:						
Commercial Mortgages	-	-	-	-	54,840	54,840
Construction, Pre-development and Acquisition	-	-	-	-	16,900	16,900
Total Commercial Enterprise loans	-	-	-	-	71,740	71,740
Healthcare:						
Commercial Mortgages	-	-	-	-	21,381	21,381
Construction, Pre-development and Acquisition	-	-	-	-	117	117
Total Healthcare loans	-	-	-	-	21,498	21,498
Housing:						
Commercial Mortgages	26	-	-	26	13,295	13,321
Construction, Pre-development and Acquisition	-	-	2,761	2,761	4,526	7,287
Total Housing loans	26	-	2,761	2,787	17,821	20,608
Community Resources:						
Commercial Mortgages	-	-	-	-	13,339	13,339
Construction, Pre-development and Acquisition	-	-	-	-	6,418	6,418
Total Community Resources loans	-	-	-	-	19,757	19,757
Total loans	$ 30	$ -	$ 3,485	$ 3,515	$ 292,200	$ 295,715

Loan Origination/Risk Management: The Organization has lending policies and procedures in place to maximize loan income within an acceptable level of risk. Management reviews and approves these policies and procedures on a regular basis, and also provides ongoing assessment and guidance to lenders regarding acceptable risk tolerances. As an example, while lending policies permit loan to value ratios of up to 100%, the Organization is currently originating loans with loan to value ratios of 75% to 90%. A reporting system supplements the review process by providing management with periodic reports related to loan origination, asset quality, concentrations of credit, loan delinquencies and non-performing and emerging problem loans. Diversification in the portfolio is a means of managing risk with fluctuations in economic conditions.

Note 6. Loans and Leases Receivable (Continued)

Credit Quality Indicators: For commercial loans, management uses internally assigned risk ratings as the best indicator of credit quality. Each loan's internal risk weighting is assigned at origination and reviewed at least annually and may be updated more frequently if circumstances warrant a change in risk rating. The Organization uses a loan grading system that follows the Organization's accepted definitions as follows:

- Risk ratings of "Above Average" are used for loans that have committed sources of repayment and are in strong financial condition. These loans also have strong collateral coverage, with loan to value ratios of <75%. They are performing and are expected to continue to meet all of the terms and conditions set forth in the original loan documentation.

- Risk ratings of "Satisfactory" are used for loans which may have a few unmet terms from committed repayment sources but are in satisfactory financial condition. These loans also have adequate collateral coverage of <90%. Borrowers in this classification generally exhibit a low level of credit risk and carry substantial guarantors and have strong borrowing history with the Organization.

- Risk ratings of "Below Average" are used for loans which may require a higher degree of regular, careful attention. Borrowers may be exhibiting weaker balance sheets and positive but inconsistent cash flow coverage. Loans with this rating may have minimal project sell-out risk and may also have weak collateral coverage, with loan to value ratios of >90%. Borrowers in this classification generally exhibit a higher level of credit risk but are not adversely classified and do not expose the Organization to sufficient risk to warrant adverse classification.

- Risk ratings of "Watch" are loans that do not presently expose the Organization to a significant degree of risk, but have potential weaknesses/deficiencies deserving Management's closer attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Organization's credit position at some future date. No loss of principal or interest is envisioned. Borrower is experiencing adverse operating trends, which potentially could impair their ability to service debt. This category may include credits with inadequate loan collateral, tight profitability upon completion of construction, and control over the collateral or an unbalanced position in the balance sheet which has reached a point where the liquidation is jeopardized.

- Risk ratings of "Substandard" are assigned to loans which are inadequately protected by the current paying capacity of the obligor or of the collateral pledged, if any. Assets must have a well-defined weakness. They are characterized by the distinct possibility that significant repayment source is no longer available and loss is possible if the deficiencies are not corrected. The borrower's recent performance indicated an inability to repay the debt, and relationship with the Organization has become severely impaired.

- Risk ratings of "Doubtful" are assigned to loans which have all the weaknesses inherent in those classified "Substandard" with the added characteristic that the weakness makes the collection or liquidation in full, on the basis of current existing facts, conditions, and values, highly questionable and improbable. The borrower's recent performance indicates an inability to repay the debt. Recovery from secondary sources is uncertain. The possibility of a loss is extremely high, but because of certain important and reasonably specific pending factors, a full write-off is deferred.

Note 6. Loans and Leases Receivable (Continued)

The tables below detail the Organization's loans, as of December 31, by class according to their credit quality indicators discussed above.

2016							
(in 000's)	Above Average	Satisfactory	Below Average	Watch	Substandard	Doubtful	Total
Education:							
Commercial Mortgages	$ -	$ 71,578	$ 25,459	$ 522	$ 6,158	$ -	$ 103,717
Construction, Pre-development and Acquisition	-	13,208	17,732	-	293	-	31,233
Total Education loans	-	84,786	43,191	522	6,451	-	134,950
Food Commerce:							
Commercial Mortgages	-	27,991	17,442	393	-	-	45,826
Construction, Pre-development and Acquisition	-	7,676	5,533	-	-	-	13,209
Total Food Commerce loans	-	35,667	22,975	393	-	-	59,035
Commercial Enterprise:							
Commercial Mortgages	749	42,656	15,205	-	-	-	58,610
Construction, Pre-development and Acquisition	-	7,428	8,812	-	-	-	16,240
Total Commercial Enterprise Loans	749	50,084	24,017	-	-	-	74,850
Healthcare:							
Commercial Mortgages	197	19,925	-	-	-	-	20,122
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Healthcare loans	197	19,925	-	-	-	-	20,122
Housing:							
Commercial Mortgages	14	8,971	1,178	3,826	-	-	13,989
Construction, Pre-development and Acquisition	-	8,652	1,228	430	2,761	-	13,071
Total Housing loans	14	17,623	2,406	4,256	2,761	-	27,060
Community Resources							
Commercial Mortgages	-	3,936	8,791	-	-	-	12,727
Construction, Pre-development and Acquisition	-	4,369	-	-	-	-	4,369
Total Community Resources loans	-	8,305	8,791	-	-	-	17,096
Total loans	$ 960	$ 216,390	$ 101,380	$ 5,171	$ 9,212	$ -	$ 333,113

Note 6. Loans and Leases Receivable (Continued)

2015							
(in 000's)	Above Average	Satisfactory	Below Average	Watch	Substandard	Doubtful	Total
Education:							
Commercial Mortgages	$ -	$ 51,621	$ 13,260	$ 12,006	$ -	$ -	$ 76,887
Construction, Pre-development and Acquisition	-	9,582	5,916	306	-	-	15,804
Total Education loans	-	61,203	19,176	12,312	-	-	92,691
Food Commerce:							
Commercial Mortgages	-	34,759	14,487	418	-	-	49,664
Construction, Pre-development and Acquisition	-	7,608	12,149	-	-	-	19,757
Total Food Commerce loans	-	42,367	26,636	418	-	-	69,421
Commercial Enterprise:							
Commercial Mortgages	1,310	41,386	12,144	-	-	-	54,840
Construction, Pre-development and Acquisition	-	7,336	9,564	-	-	-	16,900
Total Commercial Enterprise Loans	1,310	48,722	21,708	-	-	-	71,740
Healthcare:							
Commercial Mortgages	321	21,060	-	-	-	-	21,381
Construction, Pre-development and Acquisition	-	67	50	-	-	-	117
Total Healthcare loans	321	21,127	50	-	-	-	21,498
Housing:							
Commercial Mortgages	378	11,236	1,628	79	-	-	13,321
Construction, Pre-development and Acquisition	-	2,972	752	3,563	-	-	7,287
Total Housing loans	378	14,208	2,380	3,642	-	-	20,608
Community Resources							
Commercial Mortgages	-	2,192	11,147	-	-	-	13,339
Construction, Pre-development and Acquisition	-	4,134	2,284	-	-	-	6,418
Total Community Resources loans	-	6,326	13,431	-	-	-	19,757
Total loans	$ 2,009	$ 193,953	$ 83,381	$ 16,372	$ -	$ -	$ 295,715

Impaired Loans: The Organization identifies a loan as impaired when it is probable that interest and principal will not be collected according to the contractual terms of the original loan agreement. Not all impaired loans are on non-accrual. Accordingly, the Organization recognizes interest income on impaired, accruing loans on an accrual basis. For impaired loans on non-accrual, the Organization records interest payments on the cost recovery basis, unless a current forbearance agreement is in place for a loan; in these cases, interest income is recognized on a cash basis.

Management employs one of three methods to determine and measure impairment: Present Value of Future Cash Flows, Fair Value of Collateral for loans that are collateral dependent, or Observable Market Price. To perform an impairment analysis, the Organization reviews a loan's internally assigned risk rating, its outstanding balance, guarantors, collateral, strategy, and a current report of the action being implemented. Accordingly, based on the nature of the specific loans, one of the impairment methods is chosen for the respective loan and any impairment is determined.

Interest of $651,780 and $32,759 was recognized on a cash basis for impaired loans in 2016 and 2015, respectively.

Note 6. Loans and Leases Receivable (Continued)

Impaired loans as of December 31 are set forth in the following tables:

2016							
(in 000's)	Unpaid Principal Balance	Total Recorded Impaired Loans	Recorded Loans with no Allowance	Recorded Loans with Allowance	Related Allowance	Average Recorded Loans	Interest Collected on Impaired Loans
Education:							
Commercial Mortgages	$ 6,235	$ 6,235	$ 76	$ 6,159	$ 500	$ 6,317	$ 145
Construction, Pre-development and Acquisition	293	293	293	-	-	300	-
Total Education loans	6,528	6,528	369	6,159	500	6,617	145
Food Commerce:							
Commercial Mortgages	393	$ 393	-	393	11	406	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Food Commerce loans	393	393	-	393	11	406	-
Commercial Enterprise:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Commercial Enterprise loans	-	-	-	-	-	-	-
Healthcare:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Healthcare loans	-	-	-	-	-	-	-
Housing:							
Commercial Mortgages	3,305	2,050	2,050	-	-	2,591	183
Construction, Pre-development and Acquisition	2,952	2,952	2,952	-	-	2,940	2
Total Housing loans	6,257	5,002	5,002	-	-	5,531	185
Community Resources:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Community Resources loans	-	-	-	-	-	-	-
Total loans	$ 13,178	$ 11,923	$ 5,371	$ 6,552	$ 511	$ 12,554	$ 330

Note 6. Loans and Leases Receivable (Continued)

2015							
(in 000's)	Unpaid Principal Balance	Total Recorded Impaired Loans	Recorded Loans with no Allowance	Recorded Loans with Allowance	Related Allowance	Average Recorded Loans	Interest Collected on Impaired Loans
Education:							
Commercial Mortgages	$ 11,792	$ 11,792	$ 83	$ 11,709	$ 688	$ 12,078	$ 722
Construction, Pre-development and Acquisition	306	306	306	-	-	291	-
Total Education loans	12,098	12,098	389	11,709	688	12,369	722
Food Commerce:							
Commercial Mortgages	418	418	-	418	118	420	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Food Commerce loans	418	418	-	418	118	420	-
Commercial Enterprise:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Commercial Enterprise loans	-	-	-	-	-	-	-
Healthcare:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Healthcare loans	-	-	-	-	-	-	-
Housing:							
Commercial Mortgages	79	79	79	-	-	92	7
Construction, Pre-development and Acquisition	3,562	3,562	2,761	801	34	3,613	65
Total Housing loans	3,641	3,641	2,840	801	34	3,705	72
Community Resources:							
Commercial Mortgages	-	-	-	-	-	-	-
Construction, Pre-development and Acquisition	-	-	-	-	-	-	-
Total Community Resources loans	-	-	-	-	-	-	-
Total loans	$ 16,157	$ 16,157	$ 3,229	$ 12,928	$ 840	$ 16,494	$ 794

Troubled Debt Restructurings ("TDRs"): TDRs occur when a creditor, for economic or legal reasons related to a debtor's financial condition, grants a concession to the debtor that it would not otherwise consider, such as a below market interest rate, extending the maturity of a loan, or a combination of both. The Organization considers all loans modified in a troubled debt restructuring to be impaired, and are included in loans individually evaluated for impairment in the allowance for loans and lease losses.

At the time a loan is modified in a troubled debt restructuring, the Organization considers the following factors to determine whether the loan should accrue interest:

- Whether there is a minimum of six months of current payment history under the current terms;
- Whether the loan is current at the time of restructuring; and
- Whether the Organization expects the loan to continue to perform under the restructured terms with a debt coverage ratio that complies with the Organization's minimum underwriting policy.

The Organization also reviews the financial performance of the borrower over the past year to be reasonably assured of repayment and performance according to the modified terms. This review consists of an analysis of the borrower's historical results; the borrower's projected results over the next four quarters; current financial information of the borrower and any guarantors. The projected repayment source needs to be reliable, verifiable, quantifiable and sustainable. In addition, all troubled debt restructurings are reviewed quarterly to determine the amount of any impairment.

Note 6. Loans and Leases Receivable (Continued)

A borrower with a loan restructured in a TDR and that is on non-accrual must make six consecutive monthly regular debt service payments to be on accrual status.

There were no TDRs entered into in 2015 and 2014 that subsequently defaulted during 2016 and 2015. Two TDRs totaling $6,451,899 were executed in 2016 and were not in default as of December 31, 2016. Of the five loans identified as TDRs, none were considered to be in default.

The following is an analysis of loans modified in a troubled debt restructuring by type of concession. There were no TDRs that involved forgiveness of debt.

2016				
(in 000's)	Balance at January 1	TDRs paid off, reclassified, or written off	New TDRs in current year	Balance at December 31
Education:				
Extended under forbearance	$ 83	$ (7)	$ 6,452	$ 6,528
Food Commerce:				
Extended under forbearance	418	(418)	-	-
Extensions resulting from financial difficulty		393	-	393
Housing:				
Extensions resulting from financial difficulty	3,562	(801)	-	2,761
Total	$ 4,063	$ (833)	$ 6,452	$ 9,682

2015				
(in 000's)	Balance at January 1	TDRs paid off, reclassified, or written off	New TDRs in current year	Balance at December 31
Education:				
Extended under forbearance	$ 90	$ (7)	$ -	$ 83
Food Commerce:				
Extended under forbearance	422	(4)	-	418
Housing:				
Extended under forbearance	4,417	(855)	-	3,562
Extensions resulting from financial difficulty	126	(126)	-	-
Total	$ 5,055	$ (992)	$ -	$ 4,063

Note 6. Loans and Leases Receivable (Continued)

The following is an analysis of performing and non-performing loans modified in a troubled debt restructuring as of December 31:

2016						
	TDRs in compliance and accruing interest		TDRs not accruing interest		Total	
(in 000's)	Balance	Count	Balance	Count	Balance	Count
Education:						
Commercial Mortgages	$ 76	1	$ 6,159	1	$ 6,235	2
Construction, Pre-development and Acquisition	-	-	293	1	293	1
Food Commerce:						
Commercial Mortgages	-	-	393	1	393	1
Housing:						
Construction, Pre-development and Acquisition	-	-	2,761	1	2,761	1
Total	$ 76	1	$ 9,606	4	$ 9,682	5

2015						
	TDRs in compliance and accruing interest		TDRs not accruing interest		Total	
(in 000's)	Balance	Count	Balance	Count	Balance	Count
Education:						
Commercial Mortgages	$ 83	1	$ -	-	$ 83	1
Food Commerce:						
Commercial Mortgages	-	-	418	1	418	1
Housing:						
Commercial Mortgages						
Construction, Pre-development and Acquisition	801	3	2,761	1	3,562	4
Total	$ 884	4	$ 3,179	2	$ 4,063	6

There were no commitments to lend additional funds to borrowers with loans modified in troubled debt restructurings.

Note 7. Allowance for Loan Losses

The Organization considers that the determination of the allowance for loan and lease losses involves a higher degree of judgment and complexity than its other significant accounting policies. The balance in the allowance for loan and lease losses is determined based on management's review and evaluation of the loan portfolio in relation to past loss experience, the size and composition of the portfolio, current economic events and conditions, and other pertinent factors, including management's assumptions as to future delinquencies, recoveries and losses. All of these factors may be susceptible to significant change. To the extent actual outcomes differ from management's estimates, additional provisions for loan and lease losses may be required that would adversely impact earnings in future periods.

The following table presents an analysis of the allowance for loan and lease losses for the years ended December 31:

2016							
(in 000's)	Education	Food Commerce	Commercial Enterprise	Healthcare	Housing	Community Resources	Total
Beginning balance	$ 5,053	$ 4,227	$ 3,988	$ 670	$ 1,077	$ 1,051	$ 16,066
Provision for possible loan and lease losses							
Unrestricted	2,555	(839)	191	(138)	123	(178)	1,714
Charge-offs	-	-	-	(50)	(13)	-	(63)
Recoveries	-	75	-	-	44	-	119
Provision and Net charge-offs	2,555	(764)	191	(188)	154	(178)	1,770
Ending balance	$ 7,608	$ 3,463	$ 4,179	$ 482	$ 1,231	$ 873	$ 17,836
Period-end amount allocated to:							
Loans individually evaluated for impairment	$ 500	$ 11	$ -	$ -	$ -	$ -	$ 511
Loans collectively evaluated for impairment	7,108	3,452	4,179	482	1,231	873	17,325
	$ 7,608	$ 3,463	$ 4,179	$ 482	$ 1,231	$ 873	$ 17,836
Loans, ending balance:							
Loans individually evaluated for *impairment*	$ 6,528	$ 393	$ -	$ -	$ 5,002	$ -	$ 11,923
Loans collectively evaluated for impairment	128,422	58,642	74,850	20,122	22,058	17,096	321,190
Total	$ 134,950	$ 59,035	$ 74,850	$ 20,122	$ 27,060	$ 17,096	$ 333,113

Note 7. Allowance for Loan Losses (Continued)

2015							
(in 000's)	Education	Food Commerce	Commercial Enterprise	Healthcare	Housing	Community Resources	Total
Beginning balance	$ 4,877	$ 2,934	$ 2,092	$ 1,006	$ 1,962	$ 661	$ 13,532
Provision for possible loan and lease losses							
Unrestricted	176	1,300	1,713	(336)	(714)	390	2,529
Net reduction in permanently restricted net assets	-	-	-	-	(34)	-	(34)
Charge-offs	-	(77)	-	-	(203)	-	(280)
Recoveries	-	70	183	-	66	-	319
Provision and Net charge-offs	176	1,293	1,896	(336)	(885)	390	2,534
Ending balance	$ 5,053	$ 4,227	$ 3,988	$ 670	$ 1,077	$ 1,051	$ 16,066
Period-end amount allocated to:							
Loans individually evaluated for impairment	$ 688	$ 118	$ -	$ -	$ 34	$ -	$ 840
Loans collectively evaluated for impairment	4,365	4,109	3,988	670	1,043	1,051	15,226
	$ 5,053	$ 4,227	$ 3,988	$ 670	$ 1,077	$ 1,051	$ 16,066
Loans, ending balance:							
Loans individually evaluated for *impairment*	$ 12,098	$ 418	$ -	$ -	$ 3,641	$ -	$ 16,157
Loans collectively evaluated for impairment	80,593	69,003	71,740	21,498	16,967	19,757	279,558
Total	$ 92,691	$ 69,421	$ 71,740	$ 21,498	$ 20,608	$ 19,757	$ 295,715

Note 8. Equity Method and Program Investments

Investments in limited partnerships are accounted for under the equity method and program investments are recorded at estimated fair value. At December 31, these investments consisted of the following:

	2016	2015
Equity Method Investments		
New Markets Tax Credit Program (see page 32)	$ 32,248	$ 33,207
New Markets Tax Credit Investment Funds		
Chase NMTC TRF 2011 Investment Fund, LLC	477	477
Chase NMTC PHN Investment Fund, LLC	198	201
481 Philabundance Investment Fund, LLC	337	338
Chase NMTC Liberty Heights Investment Fund, LLC	407	423
	1,419	1,439
Limited Partnerships and Limited Liability Companies		
Charter School Capital Access Program, LLC (a)	-	-
Charter School Financing Partnership (b)	70,373	48,766
FSCLF Holding, LLC (c)	174,844	174,844
Octavia Hill Bel-Air Partners, LP (d)	-	-
Octavia Hill Chelten Partners, LP (e)	-	-
Scotland Commons, LP (f)	-	146
HealthCo Participation LLC (g)	5,804	3,214
Alliance Fund Management, LLC (h)	250,000	250,000
HDC/TRF/Jubilee, LLC (i)	-	-
Manalapan MM, LLC (j)	-	-
City Arts II, LP (k)	-	-
Burlington MM, LLC (l)	-	-
	501,021	476,970
Total equity method investments	534,688	511,616
Program Investments		
The Community Development Trust	250,000	250,000
Total program investments	250,000	250,000
	$ 784,688	$ 761,616

New Markets Tax Credit Program: During fiscal year 2016 and 2015, Reinvestment Fund received a New Markets Tax Credit Program ("Program") allocation of $0 and $65,000,000, respectively. Pursuant to the requirements of the Program, administered by the CDFI Fund, a division of the U.S. Department of Treasury, Reinvestment Fund formed a for-profit entity TRF NMTC Fund, LLC ("NMTC"). As of December 31, 2016, NMTC is the general partner of TRF NMTC Fund V, L.P., TRF NMTC Fund IX through TRF NMTC Fund XI, L. P. and TRF NMTC Fund XIII, L.P. through TRF NMTC FUND XXXIX, L.P., (collectively the "NMTC Funds") with a 0.01% ownership interest in each entity. The Organization does not consolidate the NMTC Funds due to the rights granted to the limited partners as defined in the partnership agreements. The limited partners' rights, in the partnership agreement, overcome the presumption of control of the general partner. The information below, as it relates to the total assets, liabilities and net income amounts, is for information purposes and is not consolidated in Reinvestment Fund's financial statements.

Note 8. Equity Method and Program Investments (Continued)

New Markets Tax Credit Program (Continued):

Reinvestment Fund formed TRF Fund Manager, LLC ("Fund Manager"). Fund Manager is the non-member manager of Chase NMTC TRF Charter School Investment Fund, LLC, a non-Reinvestment Fund entity. In addition Fund Manager is the .01% managing member of Chase NMTC TRF 2011 Investment Fund, LLC; Chase NMTC PHN Investment Fund, LLC; 481 Philabundance Investment Fund, LLC and Chase NMTC Liberty Heights Investment Fund, LLC. The Organization does not consolidate these investment funds due to the rights granted to the investor members as defined in the respective operating agreements. The investor members' rights overcome the presumption of control of the managing member.

For administrative services performed for the NMTC Funds, the Organization earned revenue of $1,788,428 and $1,584,045 for the years ended December 31, 2016 and 2015, respectively. These amounts are included in asset management fees on the consolidated statement of activities.

In connection with the formation of TRF NMTC Fund XXXV, L.P. the Organization received fees of $337,500 for the year ended December 31, 2016. In connection with the formation of TRF NMTC Fund XXXIII, LP, TRF NMTC Fund XXXIV, LP, and TRF NMTC Fund XXXVI, LP through TRF NMTC Fund XXXIX, LP the Organization received fees of $2,246,250 for the year ended December 31, 2015. The fees received as a result of NMTC fund formations are included in program services and fees on the consolidated statement of activities.

During 2016, TRF NMTC Fund VII, L.P., TRF NMTC Fund VIII, L.P. and TRF NMTC Fund XII, L.P. were unwound. As a result, Reinvestment Fund earned $1,251,000 in success fees, which are included in program services and fees on the consolidated statement of activities.

During 2015, TRF NMTC Fund VI, LP ("Fund VI") was unwound. Effective September 30, 2015, TC TRF QEI II (the limited partner of Fund VI and a non-Reinvestment Fund entity) redeemed its interest in Fund VI for a liquidating distribution of $228,353 which resulted in Fund VI being solely owned by TRF NMTC Fund, LLC. Fund VI was due a refund from the state of New Jersey of approximately $16,065 which was received August 2016. Fund VI was dissolved September 2016.

During 2014, in connection with the Fund IV unwind, TC-TRF (its limited partner and non-Reinvestment Fund entity), became a wholly owned subsidiary of Reinvestment Fund. Accordingly, TC-TRF and its subsidiary, Fund IV, were consolidated in Reinvestment Fund's consolidated financial statements. During 2015, TC-TRF received a tax refund due of approximately $156,600 from the state of New Jersey. As a result, action has been taken to dissolve TC-TRF. The dissolution is expected to take place during 2017, pending a reply from the Commonwealth of Pennsylvania. Fund IV was dissolved during 2015.

At December 31, 2016, the following financial institutions both invested in TRF NMTC Funds and were lenders to Reinvestment Fund:

	Invested in NMTC Funds	Outstanding and Available for Reinvestment Fund borrowing
Chase	$ 163,332,834	$ 32,460,000
Santander	10,000,000	2,000,000
TD Bank	21,725,084	36,574,997
PNC Bank	16,500,000	13,107,630
Wells Fargo	10,000,000	7,500,000
	$ 221,557,918	$ 91,642,627

Note 8. Equity Method and Program Investments (Continued)

New Markets Tax Credit Program (Continued):

Selected financial information as of December 31 for each of the NMTC funds is as follows:

2016	Total Assets	Total Liabilities	Net Income(loss)	Reinvestment Fund Investment Balance
TRF NMTC Fund V, L.P.	$ 7,629,306	$ -	$ (2,082,292)	$ -
TRF NMTC Fund IX, L.P.	750	45,394	(43,774)	-
TRF NMTC Fund X, L.P.	18,901,009	8,082	778,905	1,889
TRF NMTC Fund XI, L.P.	9,701,006	-	8,138,955	970
TRF NMTC Fund XIII, L.P.	10,072,165	12,875	457,859	1,006
TRF NMTC Fund XIV, L.P.	17,584,040	7,500	574,475	1,758
TRF NMTC Fund XV, L.P.	41,341,798	53,008	1,769,923	4,256
TRF NMTC Fund XVI, L.P.	18,878,717	8,051	382,530	1,886
TRF NMTC Fund XVII, L.P.	12,880,448	5,456	112,932	1,310
TRF NMTC Fund XVIII, L.P.	8,539,177	10,634	298,127	858
TRF NMTC Fund XIX, L.P.	8,009,444	3,417	49,075	801
TRF NMTC Fund XX, L.P.	9,236,603	3,839	230,702	923
TRF NMTC Fund XXI, L.P.	3,010,621	2,501	46,920	301
TRF NMTC Fund XXII, L.P.	9,526,138	3,957	262,990	950
TRF NMTC Fund XXIII, L.P.	12,621,000	15,625	416,500	1,260
TRF NMTC Fund XXIV L.P.	6,006,710	2,500	43,320	600
TRF NMTC Fund XXV, L.P.	5,553,295	6,875	183,480	555
TRF NMTC Fund XXVI, L.P.	9,532,003	11,875	75,197	952
TRF NMTC Fund XXVII, L.P.	5,522,435	6,875	60,038	552
TRF NMTC Fund XXVIII, L.P.	6,018,570	7,500	41,880	601
TRF NMTC Fund XXIX L.P.	12,036,998	5,000	369,576	1,203
TRF NMTC Fund XXX, L.P.	10,034,003	4,167	346,037	1,003
TRF NMTC Fund XXXI, L.P.	10,051,208	20,834	70,500	1,003
TRF NMTC Fund XXXII, L.P.	11,042,351	13,750	110,000	1,103
TRF NMTC Fund XXXIII, L.P.	8,009,032	3,333	57,342	801
TRF NMTC Fund XXXIV, L.P.	12,009,030	5,000	33,960	1,200
TRF NMTC Fund XXXV, L.P.	9,009,285	3,750	51,912	900
TRF NMTC Fund XXXVI, L.P.	8,527,406	3,542	276,172	852
TRF NMTC Fund XXXVII, L.P.	13,029,302	5,416	270,147	1,302
TRF NMTC Fund XXXVIII, L.P.	8,035,373	3,333	374,880	803
TRF NMTC Fund XXXIX, L.P.	6,506,262	2,708	34,803	650
Total	$ 328,855,485	$ 286,797	$ 13,793,071	$ 32,248

2015	Total Assets	Total Liabilities	Net Income(loss)	Reinvestment Fund Investment Balance
TRF NMTC Fund V, L.P.	$ 10,029,306	$ -	$ 316,840	$ -
TRF NMTC Fund VII, L.P.	6,545,487	8,375	299,708	654
TRF NMTC Fund VIII, L.P.	8,794,406	11,250	112,146	879
TRF NMTC Fund IX, L.P.	21,006	21,875	(7,295,512)	-
TRF NMTC Fund X, L.P.	18,980,004	20,455	764,765	1,895
TRF NMTC Fund XI, L.P.	43,673	-	(9,688,732)	4
TRF NMTC Fund XII, L.P.	12,683,731	5,417	83,471	1,268
TRF NMTC Fund XIII, L.P.	10,116,158	12,875	456,347	1,010
TRF NMTC Fund XIV, L.P.	17,661,024	7,500	572,449	1,765
TRF NMTC Fund XV, L.P.	41,341,798	53,008	1,764,462	4,256
TRF NMTC Fund XVI, L.P.	18,983,140	16,087	382,484	1,895
TRF NMTC Fund XVII, L.P.	12,880,448	5,456	112,846	1,310
TRF NMTC Fund XVIII, L.P.	8,539,177	10,634	298,127	858
TRF NMTC Fund XIX, L.P.	8,009,194	3,333	48,940	801
TRF NMTC Fund XX, L.P.	9,236,603	3,839	230,713	923
TRF NMTC Fund XXI, L.P.	3,015,894	3,864	46,920	301
TRF NMTC Fund XXII, L.P.	9,526,138	3,957	263,215	952
TRF NMTC Fund XXIII, L.P.	12,621,000	15,625	416,500	1,260
TRF NMTC Fund XXIV L.P.	6,006,710	2,500	43,320	600
TRF NMTC Fund XXV, L.P.	5,553,295	6,875	183,480	555
TRF NMTC Fund XXVI, L.P.	9,531,706	11,875	75,233	952
TRF NMTC Fund XXVII, L.P.	5,522,435	6,875	60,038	552
TRF NMTC Fund XXVIII, L.P.	6,018,570	7,500	41,880	601
TRF NMTC Fund XXIX L.P.	12,036,998	5,000	369,576	1,203
TRF NMTC Fund XXX, L.P.	10,034,003	4,167	346,036	1,003
TRF NMTC Fund XXXI, L.P.	10,051,208	20,834	70,500	1,003
TRF NMTC Fund XXXII, L.P.	11,042,351	13,750	110,000	1,103
TRF NMTC Fund XXXIII, L.P.	8,008,948	3,333	8,826	800
TRF NMTC Fund XXXIV, L.P.	12,001,722	333	189	1,200
TRF NMTC Fund XXXVI, L.P.	8,507,932	944	6,138	851
TRF NMTC Fund XXXVII, L.P.	13,029,228	5,342	22,586	1,302
TRF NMTC Fund XXXVIII, L.P.	8,011,220	1,111	9,309	801
TRF NMTC Fund XXXIX, L.P.	6,504,778	1,896	2,232	650
Total	$ 340,889,291	$ 295,885	$ (9,464,968)	$ 33,207

Note 8. Equity Method and Program Investments (Continued)

Equity Method Investments:

a) Charter School Capital Access Program, LLC ("CCAP") was a limited liability company formed for the purpose of implementing a credit enhancement program for charter school debt financing made possible by a $6,400,000 equity grant from the US ED. Under the operating agreement, any earnings on the equity grant were excluded from operating income and any remaining operating income was allocated 50% to Reinvestment Fund and such allocation made to Reinvestment Fund for the years ended December 31, 2016 and 2015 was a loss of $0 and $6,940, respectively. In 2015, Reinvestment Fund wrote the investment to $0. CCAP was dissolved in 2016 and the remaining grant funds of $1,352,339 were distributed to Reinvestment Fund and recorded as temporarily restricted revenue to be used in the US ED credit enhancement program.

b) Charter School Financing Partnership ("CSFP") is a limited liability company organized to facilitate the financing of charter schools by aggregating pools of loans, including those with external credit enhancements, which are then stratified by risk-return and maturity characteristics and sold to investors in the form of bonds. In February 2008, Reinvestment Fund purchased $60,000 in Class "A" units, which represents a 20% voting interest in CSFP. Equity earnings or losses are allocated to Reinvestment Fund at 10%. Reinvestment Fund recorded an increase in equity earnings of $34,950 and $1,533 for the years ended December 31, 2016 and 2015, respectively. Reinvestment Fund received a return of capital of $13,342 and $0 for the years ended December 31, 2016 and 2015, respectively.

c) FSCLF Holding, LLC ("FSCLF") is a limited liability company formed for the purpose of holding and selling the property transferred by the lead lender upon foreclosure of the S. Lowan Pitts Day Care Center loan in which Reinvestment Fund had a 50% participation. Accordingly, Reinvestment Fund owns a 50% non-managing member interest in FSCLF. Reinvestment Fund is carrying its investment in FSCLF at $174,844 at December 31, 2016 and 2015, respectively.

d) Octavia Hill Bel-Air Partners, LP ("Bel-Air") is a limited partnership formed for the purpose of purchasing and operating multifamily residential rental buildings. Reinvestment Fund's non-controlling limited partnership interest in Bel-Air represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first $125,000 of losses; thereafter, Reinvestment Fund will be allocated 80.25% of net income or 81.91% of losses. Reinvestment Fund recorded a decrease in equity earnings of $0 for the years ended December 31, 2016 and 2015, respectively.

e) Octavia Hill Chelten Partners, LP ("Chelten") is a limited partnership formed for the purpose of purchasing and operating a housing rental building. Reinvestment Fund's non-controlling limited partnership interest in Chelten represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first $75,000 of losses; thereafter, Reinvestment Fund will be allocated 80.25% of net income or 96.28% of losses. Reinvestment Fund recorded a decrease in equity earnings of $0 for the years ended December 31, 2016 and 2015, respectively.

f) Scotland Commons, L.P. ("Scotland Commons LP") is a limited partnership formed to acquire, finance, own, construct, rehabilitate, maintain, improve, operate, lease and, if appropriate or desirable, sell or otherwise dispose of an apartment complex in Gloucester County, New Jersey. Scotland Commons is a .005% co-general partner of Scotland Commons LP. The profits and losses are allocated among the partners in accordance with the partnership agreement.

g) HealthCo Participation LLC ("HealthCo") is a limited liability company formed in 2013 as a financing vehicle to provide indirect facility financing for federally qualified healthcare centers. Reinvestment Fund is one of three equal members at 33.34%. Under the limited liability company agreement, any income or expense of HealthCo is shared equally by the three members. For the years ended December 31, 2016 and 2015, Reinvestment Fund recorded equity losses of $729 and $5,733, respectively. During the years ended December 31, 2016 and 2015, Reinvestment Fund contributed capital of $3,319 and $7,074, respectively.

h) Alliance Fund Management, LLC ("AFM") is a limited liability company formed in 2014 to provide management services to funds and trusts seeking investments in affordable rental housing preservation. In 2014, Reinvestment Fund purchased three Class A Preferred Member Units of AFM at a cost of $25,000 per unit. In 2015, Reinvestment Fund purchased seven additional Class A Preferred Member Units of AFM at a cost of $25,000 per unit bringing the total units to 10 and the total cost to $250,000 at December 31, 2016 and 2015.

Note 8. Equity Method and Program Investments (Continued)

Equity Method Investments (Continued):

i) HDC/TRF/Jubilee, LLC ("City Arts I") is a limited liability company formed in 2009 to serve as general partner of City Arts Limited Partnership whose sole purpose shall be the development, ownership and operation of the City Arts affordable multifamily apartment community in Baltimore, Maryland. TRF DP 1500, LLC has a 24.5% interest in City Arts I.

j) Manalapan MM, LLC ("Manalapan MM") is a limited liability company formed in 2011 as the managing member of Manalapan Affordable Housing, LLC, a developer of 80 affordable housing units in Manalapan, New Jersey. Scotland Commons is a co-managing member of Manalapan MM with a 51% interest. Earnings/losses are shared by each member in accordance with the Operating Agreement dated July 29, 2011.

k) City Arts II, LP ("City Arts II") is a limited partnership formed in 2015 whose sole purpose shall be the development, ownership and operation of the City Arts II affordable multifamily apartment complex in Baltimore, Maryland. TRF DP 1700, LLC has a .003% general partnership interest in City Arts II.

l) Burlington MM, LLC ("Burlington MM") is a limited liability company formed in 2015 to act as the managing member of Burlington City Affordable Housing, LLC that will acquire, finance, own, construct, rehabilitate, maintain, improve, operate, lease and, if appropriate or desirable, sell or otherwise dispose of an affordable housing apartment complex in Burlington, New Jersey. Scotland Commons has a 51% interest in Burlington MM.

2016				
	Total Assets	Total Liabilities	Total Equity	Net Income/(Loss)
CSFP	$ 17,666,659	$ 3,986,813	$ 13,679,846	$ 340,950
FSCLF	579,940	-	579,940	14,454
Bel-Air	1,416,464	1,578,625	(162,161)	19,571
Chelten Arms	977,144	1,161,030	(183,886)	(35,783)
Scotland Commons	21,734,408	8,344,139	13,390,269	(447,378)
HealthCo	8,194,214	8,180,076	14,138	(8,138)

2015				
	Total Assets	Total Liabilities	Total Equity	Net Income/(Loss)
CCAP	$ 5,397,132	$ 2,740,031	$ 2,657,101	$ (6,461)
CSFP	18,398,900	2,890,505	15,508,395	33,811
FSCLF	565,486	-	565,486	8,237
Bel-Air	1,434,348	1,616,080	(181,732)	(29,347)
Chelten Arms	1,032,911	1,181,014	(148,103)	(65,832)
Scotland Commons	22,698,840	8,884,891	13,813,949	(518,127)
HealthCo	8,856,130	8,843,811	12,319	(4,622)

Program Investments:

At December 31, 2016 and 2015, Reinvestment Fund owned 25,000 common "B" shares of The Community Development Trust, Inc. carried at $250,000.

Note 9. Equipment, Leasehold Improvements and Software, Net

Equipment, leasehold improvements and software, net at December 31 consisted of the following:

	2016	2015
Office furniture, equipment and software	$ 2,273,407	$ 2,094,027
Leasehold improvements	1,045,593	1,045,593
Software development	6,814,241	6,646,681
Accumulated depreciation	(8,244,972)	(7,339,470)
	$ 1,888,269	$ 2,446,831

Depreciation and amortization expense of $2,189,269 and $2,268,332, which includes depreciation of $1,213,899 and $1,095,046 for rental property, was recorded for the years ended December 31, 2016 and 2015, respectively. (See Note 11)

Note 10. Property Held for Development or Sale

Property held for development or sale by region at December 31 consisted of the following:

	2016	2015
Property under construction:		
Baltimore	$ 4,148,198	$ 1,622,926
Mount Holly	325,342	270,291
	4,473,540	1,893,217
Property held for sale:		
Baltimore	187,888	628,826
Neptune	924,976	1,070,922
Jersey City	1,288,011	2,270,122
Mount Holly	317,011	-
	2,717,886	3,969,870
Total	$ 7,191,426	$ 5,863,087

The locations for property held for development or sale include Preston Place and City Arts, located in Baltimore, MD; School House Square, located in Neptune, NJ; Jackson Green, located in Jersey City, NJ; and Parker Green located in Mount Holly, NJ.

Note 11. Rental Property, Net

Rental property by region at December 31 consisted of the following:

	2016		2015	
	Units	Amounts	Units	Amounts
Baltimore	133	$ 24,625,512	128	$ 24,322,594
Wilmington	40	6,639,969	40	6,639,969
Accumulated depreciation	-	(3,879,745)	-	(2,793,714)
	173	$ 27,385,736	168	$ 28,168,849

Note 12. Loans Payable

Loans payable at December 31 consisted of the following:

	2016	2015
Current portion	$ 40,277,373	$ 37,923,944
Long-term portion	226,182,098	193,174,356
Gross loans payable	266,459,471	231,098,300
Deferred loan fees	(467,305)	(392,300)
Net loans payable	$ 265,992,166	$ 230,706,000

Lenders specified in the following chart represent the largest creditors in each category.

Lender	2016 Maturity Date	2016 Interest rate	2016 Balance	2015 Balance
Government				
Government				
Secured - Other Assets				
CRF QI, LLC (14 fixed rate loans)	09/2030 - 03/2044	1.94% - 2.94%	$ 38,813,182	$ 18,762,213
Secured - Real Estate				
Other fixed rate (12 loans)	12/2017 - 03/2058	0.00% - 3.00%	7,741,274	6,572,592
Other variable rate (3 loans)	06/2017 - 12/2017	2.50% - 4.50%	373,235	336,093
Unsecured				
Small Business Lending Fund ("SBLF") (1 fixed rate loan)	09/2019	2.00%	11,708,000	11,708,000
Other fixed rate (3 loans)	02/2018 - 12/2019	2.00%	2,957,766	4,361,436
Total			61,593,457	41,740,334
Financial institutions, partnerships, and corporations				
Secured - Other Assets				
JPMorgan Chase ("JPMC") (1 fixed rate loan)	08/2022	1.75%	2,460,000	8,127,762
TRF NMTC Fund X, LP (4 fixed rate loans)	01/2017	5.75%	10,876,701	10,876,701
FHLB (2 fixed rate loans)	01/2017 - 02/2017	0.81% - 0.83%	9,300,000	3,654,554
Secured - Real Estate				
TD Bank (12 fixed rate loans)	02/2018 - 05/2022	3.43% - 4.53%	9,025,269	8,092,366
Other fixed rate (4 loans)	06/2017 - 04/2034	0.00% - 4.93%	1,741,762	1,679,347
Other variable rate (1 loan)	02/2017	3.63%	608,693	301,931
Unsecured				
JPMC (5 variable rate loans)	06/2019	2.75%	22,288,247	16,788,247
Bank of America (2 fixed rate loans)	12/2021 - 12/2023	1.00% - 3.50%	13,932,921	13,932,921
TD Bank (3 fixed rate loans)	12/2021 - 12/2022	3.68% - 4.04%	17,000,000	17,000,000
Capital One (1 fixed rate loan)	12/2018	3.50%	10,482,617	10,482,617
PNC (5 fixed rate loans)	09/2017 - 12/2024	2.00% - 7.15%	11,107,630	11,140,834
HSBC (1 fixed rate loan)	12/2021	2.90%	10,000,000	3,000,000
Other fixed rate (21 loans)	12/2016 - 12/2025	1.00% - 5.00%	14,896,273	15,324,893
Other variable rate (1 loan)	06/2019	3.21%	5,000,000	5,000,000
Corporations				
Unsecured				
Prudential (1 fixed rate loan)	07/2019	5.00%	3,000,000	4,000,000
Other fixed rate (12 loans)	12/2016 - 12/2024	0.00% - 2.75%	1,046,190	616,168
Total			142,766,303	130,018,341
Foundations, religious, and civic organizations				
Foundation				
Secured - Real Estate				
Other fixed rate (1 loan)	05/2019	2.00%	500,000	-
Unsecured				
Calvert Social Investment Fund (2 fixed rate loans)	05/2018 - 06/2020	2.75% - 3.00%	6,500,000	6,500,000
Robert Wood Johnson Foundation (1 fixed rate loan)	06/2022	2.00%	9,015,325	8,147,500
Other fixed rate (37 loans)	12/2016 - 10/2026	0.00% - 4.50%	17,194,286	16,458,271
Religious				
Unsecured				
Catholic Health Initiatives (1 fixed rate loan)	03/2018	2.25%	2,110,000	2,110,000
Other fixed rate (98 loans)	12/2016 - 06/2030	0.00% - 4.50%	6,584,147	7,022,505
Civic				
Secured - Real Estate				
Great Lakes Capital Fund (1 fixed rate loan)	10/2023	5.75%	4,017,710	4,078,890
Other fixed rate (2 loans)	01/2019 - 08/2041	4.00% - 6.00%	550,000	550,000
Unsecured				
Opportunity Finance Network (3 fixed rate loans)	03/2019 - 03/2021	3.50% - 5.00%	5,000,000	5,000,000
Other fixed rate loans (14 loans)	12/2016 - 06/2029	1.25% - 3.75%	1,502,920	1,442,201
Total			52,974,388	51,309,367
Individuals				
Unsecured				
Individuals (570 fixed rate loans)	12/2016 - 12/2045	0.00 - 5.00%	9,125,323	8,030,258
Gross loans payable			266,459,471	231,098,300
Less: Current portion			40,277,373	37,923,944
Long-term portion			$ 226,182,098	$ 193,174,356

Note 12. Loans Payable (Continued)

The Organization had 839 and 820 issuances of debt at December 31, 2016 and 2015, respectively. The Organization's variable rate loans have base rates of Prime, 30 day London Interbank Offered Rate ("LIBOR"), 90 day LIBOR, 30 day U.S. Treasury and 12 month LIBOR. The Prime rate was 3.75% and 3.50% at December 31, 2016 and 2015, respectively. The 90 day LIBOR Rate was 1.00% and 0.61% at December 31, 2016 and 2015, respectively. The 30 day LIBOR rate was .77% and 0.43% at December 31, 2016 and 2015, respectively. The 12 month LIBOR rate was 1.69% and 1.18% at December 31, 2016 and 2015, respectively. The 30 day U.S. Treasury rate was .42% and 0.14% at December 31, 2016 and 2015, respectively.

At December 31, 2016, the Organization has certain debt agreements with note holders that have matured and classified as current liability. Note holders are contacted at least 30 days prior to the maturity date, with an option to elect to receive payment or renew its investment at maturity. As of December 31, 2016, all note holders were notified and the Organization is awaiting a response.

Loans specified below represent certain debt instruments

Government debt includes amounts due to government agencies as follows:

Secured – Other Assets

CRF QI, LLC - During 2016, Reinvestment Fund applied and was approved to receive $75,000,000 through the Bond Program. Reinvestment Fund was previously approved to receive $55,000,000 of which $20,996,000 has been drawn in 2016. The Bond Program gives Reinvestment Fund access to long-term fixed rate capital for terms of up to 29.5 years. The Organization is required to commit the bond proceeds within 24 months with full deployment prior to the end of 2019. Reinvestment Fund entered into a loan agreement with CRF QI, LLC (Qualified Issuer). As a condition of the program, Reinvestment Fund must pledge eligible secondary borrower loans as collateral to draw down on the loan. Under the program, the bonds are purchased by The Federal Financing Bank and the U.S. Treasury will guarantee repayment. As of December 31, 2016 and 2015, the loans payable were approximately $38,813,000 and $18,762,000, respectively, secured by pledged loans receivable of approximately $39,772,000 and $19,186,000, respectively.

Secured – Real Estate

Relating to the affordable housing activities under DP, the Organization has 15 and 13 mortgage notes and construction loans with various government organizations, as of December 31, 2016 and 2015, respectively. The loan balances included above for such mortgage notes and construction loans as of December 31, 2016 and 2015 were $8,114,509 and $7,605,907, respectively.

Unsecured

SBLF – Reinvestment Fund entered into an Equity Equivalent Investment agreement ("EQ2") with the SBLF of the U.S. Department of the Treasury for $11,708,000. An EQ2 is a long-term deeply subordinated loan with features that make it function like equity. The funds are to be used to advance small business growth and development in target areas. Reinvestment Fund also received $7,000,000 of EQ2 funds from Wells Fargo Community Investment Holdings, which is included in financial institutions unsecured other fixed rate loans payable.

Note 12. Loans Payable (Continued)

Financial institutions, Partnerships, and Corporations include amounts due to banks and other financial institutions as follows:

Secured – Other Assets

FFFI - Reinvestment Fund has a secured credit facility with a group of syndicated lenders, in which JPMC acts as the lead agent. This facility supports the FFFI Program and was created to finance 80% of lending activity for qualified supermarket loans receivable. Funding of these loans is contingent upon the remaining 20% financed using grant funds. As of June 2009, the credit facility feature expired, however the facility continues to finance the term loans until the end borrower loans mature. In 2016, the end borrower loans matured and the funds were returned to JPMC. As of December 31, 2015, the loans payable of approximately $668,000 were secured by their prospective loans receivable of approximately $815,000. In 2015, these loans are included in Financial institutions, partnerships and corporations; Secured-Other Assets.

NMTC Program Activities:

In connection with its NMTC program activities, Reinvestment Fund has borrowings totaling approximately $13,337,000 whose proceeds were used to finance NMTC eligible loans and NMTC leverage loans. As a condition of the program, Reinvestment Fund has assigned to the lenders a lien on a security interest in all of Reinvestment Fund's rights, title and interest to the related loans receivable.

NMTC Fund X, LP – Reinvestment Fund has four related party loans with NMTC Fund X, LP. These loans were immediately re-lent to supermarket borrowers in support of our NMTC program. This re-lending was necessary to facilitate a guarantee from The First Industries Agriculture Program through the PA Department of Community and Economic Development and the Commonwealth Financing Authority. As of December 31, 2016 and 2015, the loans payable were approximately $10,877,000, secured by their prospective loans receivable of approximately $10,877,000.

JPMC – Reinvestment Fund has one and two NMTC eligible loans payable to JPMC as of December 31, 2016 and 2015 in the amount of $2,460,000 and $7,460,000, respectively, secured by their prospective loans receivable of approximately $2,460,000 and $7,403,000, respectively. The difference in loans receivable and payable are attributed to borrower principal repayments made and held in NMTC eligible program specific bank accounts until program restrictions allow for pay-down of loans payable back to JPMC.

FHLB – Reinvestment Fund is a member of the Federal Home Loan Bank Pittsburgh and is able to pledge eligible loans receivable as collateral in order to have a revolving line of credit of 60% of the collateral value. As of December 31, 2016 and 2015, the loans payable were approximately $9,300,000 and $3,655,000, secured by pledged loans receivable of approximately $20,877,000 and $20,615,000.

Secured – Real Estate

Relating to the affordable housing activities under DP, the Organization has 17 and 15 mortgage notes and construction loans with various financial institutions as of December 31, 2016 and 2015, respectively. The loan balances included above for such mortgage notes and construction loans as of December 31, 2016 and 2015 were $11,375,724 and $10,073,644, respectively.

Unsecured

JPMC Core – Reinvestment Fund has an unsecured syndicated revolving loan facility, in which JPMC is the administrative agent, and as of December 31, 2016, was the sole lender on the facility. This facility supports Reinvestment Fund short term core acquisition and construction financing up to $25,000,000. The credit facility has an availability expiration date of June 25, 2016, and a facility maturity date of June 23, 2018. As of December 31, 2016 and 2015, the outstanding balance was approximately $22,288,000 and $16,788,000, respectively.

Note 12. Loans Payable (Continued)

Foundations, religious and civic organizations include amounts due to various organizations:

Civic Secured – Real Estate

Relating to the affordable housing activities under DP, the Organization has 3 mortgage notes and construction loans with various civic organizations as of December 31, 2016 and 2015, respectively. The loan balances included above for such mortgage notes and construction loans as of December 31, 2016 and 2015 were $4,567,710 and $4,628,890, respectively.

The Organization has certain debt agreements that contain financial covenants requiring the Organization to maintain minimum cash and investment balances and certain financial ratios. As of December 31, 2016 and 2015, the Organization was in compliance with all of its financial covenants.

Aggregate maturities for loans payable at December 31, 2016 are as follows:

2017	$ 40,277,373
2018	40,357,994
2019	51,941,108
2020	33,789,374
2021	19,632,884
Thereafter	80,460,738
	$ 266,459,471

As of December 31, 2016, the Organization has available undrawn debt facilities of approximately:

Lender	Total Debt Facility	Debt Facility Type	Available undrawn at December 31, 2016
CRF QI, LLC	$ 75,000,000	Non-revolving line of credit	$ 75,000,000
CRF QI, LLC	55,000,000	Non-revolving line of credit	14,939,330
JP Morgan Chase (agent)	30,000,000	Syndicated bank revolving line of credit	7,711,753
FHLB	12,593,951	Revolving line of credit	3,293,951
TD Bank	10,000,000	Non-revolving line of credit	5,000,000
Robert Wood Johnson	10,000,000	Non-revolving line of credit	984,675
TD Bank	4,500,000	Non-revolving line of credit	4,039,089
Annie Casey	4,000,000	Revolving line of credit	1,404,277
City of Jersey City	3,033,000	Non-revolving line of credit	79,000
TD Bank	2,500,000	Non-revolving line of credit	1,510,639
Mayor and City Council of Baltimore	2,000,000	CDBG Forgivable (non-revolving line of credit)	1,869,734
PNC Bank	2,000,000	Non-revolving line of credit	2,000,000
M&T	2,000,000	Non-revolving line of credit	2,000,000
The Community Development Admininstration	1,683,240	Non-revolving line of credit	1,465,304
BB&T	1,148,065	Non-revolving line of credit	751,965
NJHMFA	1,148,065	Non-revolving line of credit	826,695
NJHMFA	1,100,000	Non-revolving line of credit	855,679
Community Development Administration	1,000,000	Non-revolving line of credit	100,000
Rosedale	1,000,000	Non-revolving line of credit	1,000,000
Annie Casey HCPI	1,000,000	Non-revolving line of credit	1,000,000
MECU Baltimore	750,000	Non-revolving line of credit	750,000
Mayor and City Council of Baltimore	550,000	Non-revolving line of credit	535,301
NJHMFA	500,000	Choice subsidy (non-revolving line of credit)	50,000
Howard Bank	500,000	Non-revolving line of credit	500,000
First Mariner	500,000	Non-revolving line of credit	500,000
	$ 223,506,321		$ 128,167,392

Note 13. Recoverable Grants

Reinvestment Fund was awarded $8,522,609 in grants from PIDC – Local Development Corporation. The grants were awarded through the City of Philadelphia under the Department of Energy's Energy Efficiency and Conservation Block Grant pursuant to The American Recovery and Reinvestment Act. Reinvestment Fund received drawdowns totaling $7,847,608 upon the execution of the awarded grant agreements in 2011. Under the terms of the grant, Reinvestment Fund is required to create a loan loss reserve program and interest rate buy-down fund program for the EnergyWorks Loan Fund. Grant funds are considered expended and revenue is recognized once the loan loss reserve and interest rate buy-down accounts are funded and committed to be used to support individual or a portfolio of loans. Reinvestment Fund funded and committed loan loss reserves and interest rate buy downs to eligible projects totaling $0 and $1,966,036, respectively, for the years ended December 31, 2016 and 2015. The balance of this recoverable grant was $2,403,681 at December 31, 2016 and 2015, respectively.

Reinvestment Fund was also awarded $5,000,000 from the City of Baltimore for the Community Service Loan Program. Reinvestment Fund received a $250,000 and a $2,000,000 drawdown in 2016 and 2015, respectively. Under the terms of the grant, Reinvestment Fund is required to create the Community Service Loan Program. The funds will be used to cover loan losses, re-granting and to make loans to eligible borrowers. The revenue will be recognized and released simultaneously as loan losses are incurred or re-granting is designated to eligible borrowers. Any funds not expended for loan losses are due back to the grantor. The balance of this recoverable grant was $3,240,000 and $2,990,000 at December 31, 2016 and 2015, respectively.

Reinvestment Fund was awarded $400,000 from The Maryland Department of Housing and Community Development through the Southeast Community Development Fund (SEDC) to create the CARE Revolving Loan Fund. This fund is to be used to finance the acquisition, rehabilitation and sale of vacant residential properties located in the Southeast Baltimore City Sustainable Community Area. The revenue will be recognized and released simultaneously to cover loan losses to eligible borrowers in this specific geography. Upon the expiration of five years from the date of the agreement, financing of new projects will cease unless an extension of time is granted. SEDC may require repayment of the grant at the end of the grant period. The balance of this recoverable grant was $400,000 at December 31, 2016 and 2015, respectively.

The consolidated statement of financial position reflects recoverable grants payable in the amount of $6,043,681 and $5,793,681 for the years ended December 2016 and 2015, respectively.

Note 14. Net Assets

Unrestricted Net Assets: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. At December 31, 2016 and 2015, unrestricted net assets were $52,483,551 and $45,895,269, respectively. At December 31, 2016 and 2015, unrestricted net assets of $9,184,120 and $9,181,356, respectively, were contractually limited as to use by SDF. At December 31, 2016 and 2015, unrestricted net assets of $5,244,409 and $5,858,885, respectively, represented non-controlling interest which is the equity interests in consolidated subsidiaries, exclusive of any Reinvestment Fund interests.

Temporarily Restricted Net Assets: Temporarily restricted net assets are those net assets whose use by the Organization is limited by donor to be used for a specified purpose (purpose restrictions) or restricted to be used in a later period or after a specified date (time restrictions).

Note 14. Net Assets (Continued)

Temporarily restricted net assets at December 31 consisted of the following:

2016	12/31/2015	Grants & Contributions	Net Assets Released	Reclassification of Releases	Net Financial Income	12/31/2016
Temporarily Restricted						
Programs						
Policy solutions	$ 277,766	$ 489,767	$ (341,820)	$ 4,400	$ -	$ 430,113
Lending	2,361,697	9,732,942	(3,877,837)	(1,192,132)	562,564	7,587,234
Other	56,118	75,000	(131,118)	-	-	-
	2,695,581	10,297,709	(4,350,775)	(1,187,732)	562,564	8,017,347
Financing						
Lending	31,026,292	7,852,339	(2,789,165)	921,128	171,256	37,181,850
Real Estate	2,511,536	410,700	(1,464,270)	-	-	1,457,966
	33,537,828	8,263,039	(4,253,435)	921,128	171,256	38,639,816
Re-granting						
Lending	3,646,681	10,964,250	(5,691,339)	266,604	7,395	9,193,591
Total temporarily restricted	$ 39,880,090	$ 29,524,998	$(14,295,549)	$ -	$ 741,215	$ 55,850,754

2015	12/31/2014	Grants & Contributions	Net Assets Released	Reclassification of Releases	Net Financial Income	12/31/2015
Temporarily Restricted						
Programs						
SDF - Contractually limited as to use	$ 382,766	$ -	$ (382,766)	$ -	$ -	$ -
Policy solutions	254,407	75,000	(391,381)	339,740	-	277,766
PolicyMap	217,102	-	(693,790)	476,688	-	-
Lending	4,044,260	405,000	(1,080,786)	(1,482,221)	475,444	2,361,697
Development partners	-	75,000	(75,000)	-	-	-
Other	84,518	125,000	(153,779)	-	379	56,118
	4,983,053	680,000	(2,777,502)	(665,793)	475,823	2,695,581
Financing						
Lending	34,896,077	1,966,036	(6,475,628)	588,075	51,732	31,026,292
Real Estate	2,930,393	441,916	(860,773)	-	-	2,511,536
	37,826,470	2,407,952	(7,336,401)	588,075	51,732	33,537,828
Re-granting						
Lending	4,983,501	1,731,849	(3,146,387)	77,718	-	3,646,681
Total temporarily restricted	$ 47,793,024	$ 4,819,801	$(13,260,290)	$ -	$ 527,555	$ 39,880,090

Temporarily restricted net assets for financing-lending includes $22,152,194 and $20,698,392 from US ED for the years ended December 31, 2016 and 2015, respectively. These funds are to be used to provide credit enhancement (loan losses) for charter schools.

Permanently Restricted Net Assets: Permanently restricted net assets represent grants and contributions received subject to donor restrictions that are primarily for use in the Organization's permanent revolving loans funds.

For the year ended December 31, 2016, the increase in permanently restricted net assets of $12,615 represents gifts from individuals for loan pool equity.

For the year ended December 31, 2015, the increase in permanently restricted net assets of $1,386,039 represents the receipt of a SEP award from The Department of Environmental Protection funded by the U.S. Department of Energy.

For the year ended December 31, 2015, the increase in permanently restricted net assets of $33,638 represents recoveries net of charge-offs in the revolving loan fund.

Note 14. Net Assets (Continued)

Income earned from grants and contributions is recorded within unrestricted, temporarily restricted or permanently restricted net assets, as defined in individual agreements.

Note 15. Program Services and Fees

Program services and fees consist of the following:

	2016	2015
Gross sales of residential properties	$ 2,352,830	$ 3,126,152
Cost of sales of residential properties	(1,883,897)	(3,118,336)
NMTC fees	1,588,500	2,246,250
Technical assistance fees	2,106,060	2,005,849
Net rental (expense) income	(45,423)	216,033
Subscription revenue	1,344,730	1,200,812
Other	276,208	211,856
	$ 5,739,008	$ 5,888,616

Note 16. Sustainable Development Fund

SDF is a separate fund of Reinvestment Fund. SDF is guided by the terms of two PA PUC orders and subsequent PUC actions. SDF loans are reviewed and approved by Reinvestment Fund's loan committee. SDF has a Board of Directors that assists with grant approvals, but now that SDF no longer awards grants, the Board has become inactive. SDF files an annual report with the PUC and participated in an annual meeting of the Pennsylvania Sustainable Energy Board.

In connection with the creation of SDF, SDF agreed to comply with certain contractual restrictions on the use of the Fund's available net assets. As such, all net assets of SDF are considered contractually limited as to use. All Fund receipts, including contributions, principal repayments and interest earnings on loans made by the Fund, earnings on equity and near equity investments, and interest earnings, are required to be maintained in SDF. SDF is authorized to make disbursements for loans, equity and near equity investments, grants and approved annual operating program expenses. The Fund is also subject to certain annual reporting requirements.

On October 20, 2000, Philadelphia's PECO Energy Company and the Unicom Corporation of Chicago merged to form the Exelon Corporation. As a result of the merger, Exelon agreed to accelerate the payments otherwise due to SDF based on electricity consumption in the PECO Energy service territory. Exelon paid SDF a lump sum payment of $9,980,000 on January 1, 2001, representing estimated collections based on electricity consumption during the period January 1, 2001 through December 31, 2006.

In connection with the merger agreement, Exelon made contributions to SDF, over a five year period from October 20, 2000 to January 1, 2005, for the following purposes:

1) Photovoltaic Project – Contribution of $4,000,000 to fund a four year photovoltaic (solar electricity) project to purchase, install, finance and/or write down the cost of the minimum number of rooftop units in each year of the project.

2) New Pennsylvania Wind Facilities – Contribution of $12,000,000 for the development of new wind powered generation projects in Pennsylvania.

3) Renewable Education – Contribution of $2,500,000 to help fund consumer education on electricity from renewable sources, including environmental, financial and technical considerations.

During 2016 and 2015, net assets released from restriction for SDF totaled $0 and $382,766, respectively. SDF expenses are included in Program-Lending and Community Investing on the consolidated statement of activities. SDF did not incur any fundraising expenses.

Note 17. Fundraising Expenses

The management and general category includes fundraising expenses, which are approximately $116,000 and $67,000 for the years ended December 31, 2016 and 2015, respectively.

Note 18. Commitments and Contingencies

Commitments:

At December 31, 2016, the Organization had approximately $43,500,000 of loans closed but not yet disbursed and $5,600,000 of loan commitments, net of participations. Loan commitments represent arrangements to lend funds at specified interest rates and contain fixed expiration dates or other termination clauses.

At December 31, 2016, Reinvestment Fund had unconditional outstanding letters of credit totaling $8,183,743. These letters of credit have maturity dates ranging from December 2017 to July 2018.

Reinvestment Fund leases its offices and certain office equipment under non-cancelable operating leases. The office lease term is for 15 years with one option to renew for 5 years. The lease includes a tenant leasehold improvement allowance totaling approximately $1,100,000. This allowance is deferred and amortized over the term of the lease. PolicyMap leases its offices under a non-cancelable operating lease with a term of 4 years. The Organization's future annual minimum payments under these leases, net of sublease income, are as follows:

2017	$ 684,662
2018	697,223
2019	705,843
2020	672,696
2021	616,747
Thereafter	2,846,525
	$ 6,223,696

Rent expense, net of subleases, was $552,620 and $479,137 for the years ended December 31, 2016 and 2015, respectively.

Contingencies:

During the year ended June 30, 2009, in connection with the NMTC program, TRF NMTC Fund VII, LP ("Lender") issued three notes to The Learning Community Charter School ("Debtor"). Reinvestment Fund ("Guarantor") unconditionally guaranteed the punctual payment of all sums due on one of these notes in the amount of $4,840,750 plus any expenses for collection of the note including reasonable attorneys' fees. This guaranty required the Lender to cause the full depletion of the US ED proceeds, held by Reinvestment Fund as restricted cash in the amount of $974,850, prior to pursuing any remedy against the Guarantor. These US ED proceeds also secured the Debtor's obligations under the note. During 2016 the Debtor refinanced two of the notes in the amounts of $4,840,750 and $201,000 with Reinvestment Fund. As a result, the guaranteed obligation was repaid in full thus discharging the Guarantor and the US ED proceeds, in the amount of $974,850, were returned to the TRF US ED II Investment Account. The third note, in the amount of $1,457,250, was assigned to the limited partner of the Lender.

During 2010, in connection with the NMTC program, JPMC ("Senior Lender"), issued a note payable to Chase NMTC TRF Charter School Investment Fund, LLC ("borrower") in the amount of $21,349,140. Reinvestment Fund, a subordinate lender to the borrower, received grant funds from the US ED which enabled Reinvestment Fund to establish a reserve fund to assist one or more charter schools' access to private sector capital. In accordance with the terms and conditions of the Amended and Restated Credit Enhancement Agreement, Reinvestment Fund agreed to deposit such funds into a Credit Enhancement Reserve Account (the "Account") in an amount equal to 10% of the principal amount of the loans issued per the Senior Lender's promissory note. In addition, Reinvestment Fund agreed to deposit an additional $32,938 into the Account. The Account is interest bearing and is pledged to the Senior Lender as additional security for the loans pursuant to the Credit Enhancement Reserve Account Pledge and Control Agreement. At December 31, 2016 and 2015, the balance in the Account was $2,187,244 and $2,181,859, respectively.

Note 18. Commitments and Contingencies (Continued)

As of December 31, 2016, Reinvestment Fund and DP executed a Support and Services Agreement (the "Agreement") as part of a restructuring (see Note 22 "Subsequent Events"). Reinvestment Fund forgave $1,250,998 of indebtedness owed by Development Partners, effective December 31, 2016. Likewise, the existing $500,000 line of credit from Reinvestment Fund to DP, which had a zero balance, had been canceled effective December 31, 2016. In addition, Reinvestment Fund made a grant of $325,000 to DP upon execution of the Agreement and completion of the restructuring. These amounts are eliminated in consolidation at December 31, 2016.

Effective January 1, 2017, Reinvestment Fund shall provide DP with the following support:

- Over three years, Reinvestment Fund shall provide a reimbursement grant for expenses incurred in staffing costs in the aggregate amount of $615,000, not to exceed $205,000 per year. The reimbursement grant funds shall be awarded upon meeting the reimbursement criteria.

- Upon meeting the matching criteria defined in the Agreement, matching grants totaling $1,425,000 shall be awarded to DP through 2020 as outlined below: up to a maximum amount of $600,000 in 2017, up to a maximum amount of $450,000 in 2018, up to a maximum amount of $300,000 in 2019, and up to a maximum amount of $75,000 in 2020.

- Beginning January 1, 2017, and continuing through December 31, 2017, Reinvestment Fund shall provide to DP back office support, however DP may elect to discontinue such services as defined in the Agreement. Starting January 1, 2018 and continuing through December 31, 2019, Reinvestment Fund shall reimburse DP for costs of such services in the form of a reimbursement grant not to exceed $450,000 annually.

- Reinvestment Fund has agreed to purchase from DP a subscription note in the principal amount of $250,000, contingent upon criteria as defined in the Agreement.

In the normal course of business, the Organization is subject to various pending or threatened litigation. In the opinion of management, the ultimate resolution of such litigation will not have a material adverse effect on the Organization's consolidated financial statements.

Note 19. Conditional Grant Receivable

In February 2016, the Organization was awarded a $15,000,000, five-year conditional grant from a private foundation to create high quality childcare seats in Philadelphia. During 2016, as the conditions of the grant were met, the Organization recognized $6,500,000 of grant revenue. Of the $6,500,000, $3,000,000 is included in grants and contributions receivable on the Consolidated Statement of Financial Position at December 31, 2016. The Organization is eligible to receive an additional $8,500,000 in grant funds over the next four years if the conditions of the grant agreement are met in accordance with the terms of the grant agreement.

Note 20. Retirement Plan

The Organization offers all eligible employees the opportunity to participate in a 401(k) tax deferred plan whereby employees may elect to contribute through payroll deductions. These amounts are subject to statutory maximums. The 2016 and 2015 plans provided for a discretionary match of 100% of employees' contributions for the first 3% of compensation plus a 50% match on deferrals in excess of 3% but not to exceed 5% of employees' compensation. The Organization contributed $317,742 and $265,811 for the years ended December 31, 2016 and 2015, respectively.

Note 21. Fair Value Measurements

The Organization recorded certain assets, such as investments in marketable securities and program investments at fair value on an ongoing basis and reported at fair value at every reporting date. These are disclosed below under fair value on a recurring basis. Assets that are not recorded at fair value on an ongoing basis, but under certain circumstances, such as impairments and property held for development or sale are disclosed below under fair value on nonrecurring basis.

Fair Value on a Recurring Basis

Investment in marketable securities: The fair value of investment in marketable securities is the market value based on quoted market prices, when available (Level 1). If listed prices or quotes are not available, fair value is based upon quoted market prices for similar or identical assets or other observable inputs (Level 2); or fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment (Level 3).

Program investments: The fair value of program investments is determined in good faith by the management of the Organization by taking into consideration the exit price of the investment and other factors as management may deem relevant.

The following presents the assets and liabilities reported on the consolidated statement of financial position at their fair value as of December 31 by level.

2016	Total	Level 1	Level 2	Level 3
Investments in marketable securities:				
Debt and Mortgage-backed securities:				
Federal Home Loan Mortgage Company	$ 10,729,093	$ -	$ 10,729,093	$ -
Federal National Mortgage Association	9,740,843	-	9,740,843	-
U.S. Treasury Notes and Bills	9,144,125	9,144,125	-	-
Corporate debt securities	11,021,708	227,847	10,793,861	-
Program investments:				
The Community Development Trust	250,000	-	-	250,000
Total assets	$ 40,885,769	$ 9,371,972	$ 31,263,797	$ 250,000

2015	Total	Level 1	Level 2	Level 3
Investments in marketable securities:				
Debt and Mortgage-backed securities:				
Federal Home Loan Bank	$ 124,755	$ -	$ 124,755	$ -
Federal Home Loan Mortgage Company	3,965,002	-	3,965,002	-
Federal National Mortgage Association	10,207,008	-	10,207,008	-
U.S. Treasury Notes and Bills	12,782,184	12,782,184	-	-
Corporate debt securities	14,782,609	1,950,000	12,832,609	-
Program investments:				
The Community Development Trust	250,000	-	-	250,000
Total assets	$ 42,111,558	$ 14,732,184	$ 27,129,374	$ 250,000

Note 21. Fair Value Measurements (Continued)

Fair Value on a Nonrecurring Basis

Impaired loans: The fair value of impaired loans is determined based on the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The valuation allowance for impaired loans is included in the allowance for losses in the consolidated statement of financial position. The valuation allowance for impaired loans at December 31, 2016 and 2015 was $511,179 and $840,224, respectively.

Residential property held for development or sale: The fair value of residential property held for development or sale is determined in good faith by the management of the Organization by taking into consideration the current real estate market, units owned versus city owned property, and such other factors as management may deem relevant. The valuation allowance at December 31, 2016 and 2015 was $247,472, respectively.

	2016			
	Total	Level 1	Level 2	Level 3
Impaired loans, net of specific reserves of $511,179	$ 11,411,443	$ -	$ -	$ 11,411,443
Property held for development or sale, net of specific reserve of $247,742	7,191,426	-	-	7,191,426
	$ 18,602,869	$ -	$ -	$ 18,602,869

	2015			
	Total	Level 1	Level 2	Level 3
Impaired loans, net of specific reserves of $840,224	$ 15,317,469	$ -	$ -	$ 15,317,469
Property held for development or sale, net of specific reserve of $247,742	5,863,087	-	-	5,863,087
	$ 21,180,556	$ -	$ -	$ 21,180,556

Note 22. Subsequent Events

The Organization's management has evaluated its subsequent events (events occurring after December 31, 2015) through April 13, 2017, which represents the date the financial statements were available to be issued.

Effective January 1, 2017, Development Partners restructured its organizational documents to provide for multiple members with the effect that Development Partners would no longer be under the control of, and consolidated with Reinvestment Fund. The effect of the deconsolidation at January 1, 2017 was a decrease in assets of $42,103,211, a decrease in liabilities of $36,080,850 and a decrease in net assets of $6,022,361. For the year ended December 31, 2016, DP reported revenues of $3,225,031 and expenses of $3,618,043.

RSM

RSM US LLP

Independent Auditor's Report
on the Supplementary Information

To the Board of Directors
Reinvestment Fund, Inc. and Affiliates
Philadelphia, Pennsylvania

We have audited the consolidated financial statements of Reinvestment Fund, Inc. and Affiliates as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon, dated April 13, 2017, which contained an unmodified opinion on those consolidated financial statements. Our report includes a reference to other auditor who audited the 2016 consolidated financial statements of TRF Development Partners-Baltimore, LLC and Subsidiaries (Baltimore), a wholly-owned subsidiary. See pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Blue Bell, Pennsylvania
April 13, 2017

Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Financial Position
December 31, 2016

	TRF	PolicyMap	EFI	NMTC	Development Partners	Education Funding	Reinvest I - IV	Fund Manager	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Assets												
Current Assets												
Cash, cash equivalents and certificate of deposit	$ 17,088,775	$ 43,859	$ 54,542	$ 42,608	$ 1,971,631	$ -	$ -	$ 30,998	$ -	$ 19,232,413	$ -	$ 19,232,413
Grants and contributions receivable	14,318,374	-	-	-	90,700	-	-	-	-	14,409,074	-	14,409,074
Investments in marketable securities	22,976,696	-	-	-	-	-	-	-	-	22,976,696	41,381	22,935,315
Accounts receivable - related parties	133,088	-	-	-	-	50,675	-	-	(183,763)	-	-	-
Loans and leases	96,002,542	-	5,550	-	-	-	-	-	(277,279)	95,730,813	2,198,139	93,532,674
Allowance for losses	(5,159,372)	-	-	-	-	-	-	-	15,250	(5,144,122)	(114,111)	(5,030,011)
Other	3,013,591	504,980	-	10	3,348,944	-	-	6,320	-	6,873,845	62,959	6,810,886
Restricted cash, cash equivalents and certificate of deposit	30,441,905	-	-	-	919,793	-	-	-	-	31,361,698	104,989	31,256,709
	178,815,599	548,839	60,092	42,618	6,331,068	50,675	-	37,318	(445,792)	185,440,417	2,293,357	183,147,060
Noncurrent Assets												
Investments in marketable securities	17,659,073	-	-	-	-	-	-	-	-	17,659,073	508,475	17,150,598
Loans and leases	236,211,825	-	70,538	-	1,100,000	-	-	-	-	237,382,363	6,804,439	230,577,924
Allowance for losses	(12,691,892)	-	-	-	-	-	-	-	-	(12,691,892)	(353,237)	(12,338,655)
Investments in limited partnerships and program investments	680,648	-	-	32,248	-	70,373	-	1,419	-	784,688	-	784,688
Equipment, leasehold improvements and software, net	1,063,842	714,790	-	-	109,637	-	-	-	-	1,888,269	-	1,888,269
Investments in consolidated subsidiaries	1,363,501	-	-	-	-	-	-	-	(1,363,501)	-	-	-
Property held for development or sale, net	-	-	-	-	7,062,283	-	-	-	129,143	7,191,426	-	7,191,426
Rental property, net	-	-	-	-	27,385,736	-	-	-	-	27,385,736	-	27,385,736
Other	567,668	14,570	-	-	285,626	-	-	-	(158,270)	709,594	-	709,594
	244,854,665	729,360	70,538	32,248	35,943,282	70,373	-	1,419	(1,392,628)	280,309,257	6,959,677	273,349,580
Total Assets	$ 423,670,264	$ 1,278,199	$ 130,630	$ 74,866	$ 42,274,350	$ 121,048	$ -	$ 38,737	$ (1,838,420)	$ 465,749,674	$ 9,253,034	$ 456,496,640
Liabilities and Net Assets												
Current Liabilities												
Accounts payable and accrued expenses	$ 2,167,330	$ 159,872	$ 2,236	$ -	$ 596,258	$ -	$ -	$ -	$ -	$ 2,925,696	$ -	$ 2,925,696
Escrow payable and due to third parties	4,174,651	7,039	-	-	147,961	-	-	-	(8,003)	4,321,648	55,000	4,266,648
Accounts payable - related parties	214,856	119,174	-	-	-	-	-	-	(334,030)	-	13,914	(13,914)
Deferred revenue	40,324	772,159	-	-	1,933,465	-	-	-	(82,704)	2,663,244	-	2,663,244
Other	856,464	-	-	-	483,502	-	-	-	-	1,339,966	-	1,339,966
Recoverable grants	6,043,681	-	-	-	-	-	-	-	-	6,043,681	-	6,043,681
Loans payable, current portion	37,212,965	100,000	27,002	-	3,214,685	-	-	-	(277,279)	40,277,373	-	40,277,373
	50,710,271	1,158,244	29,238	-	6,375,871	-	-	-	(702,016)	57,571,608	68,914	57,502,694
Noncurrent Liabilities												
Due to related parties	-	-	-	-	-	-	-	-	-	-	-	-
Loans payable, less current maturities	176,910,563	-	-	-	30,096,230	-	-	-	-	207,006,793	-	207,006,793
Loans payable, EQ2	18,708,000	-	-	-	-	-	-	-	-	18,708,000	-	18,708,000
Escrow payable and due to third parties	464,286	-	-	-	-	-	-	-	-	464,286	-	464,286
Other	9,110,698	1,105	-	-	-	-	-	-	-	9,111,803	-	9,111,803
	205,193,547	1,105	-	-	30,096,230	-	-	-	-	235,290,882	-	235,290,882
Total Liabilities	255,903,818	1,159,349	29,238	-	36,472,101	-	-	-	(702,016)	292,862,490	68,914	292,793,576
Commitments and Contingencies												
Paid in capital	-	1,444,742	1,010,000	(2,354,915)	-	60,100	-	(204,900)	44,973	-	-	-
Earnings/(Deficit)	-	(1,325,892)	(908,608)	2,429,781	-	60,948	-	243,637	(499,866)	-	-	-
Net Assets												
Unrestricted	54,065,188	-	-	-	(900,126)	-	-	-	(681,511)	52,483,551	-	52,483,551
Unrestricted - Contractually limited as to use	9,184,120	-	-	-	-	-	-	-	-	9,184,120	9,184,120	-
Non-controlling interest in consolidating subsidiaries	-	-	-	-	5,244,409	-	-	-	-	5,244,409	-	5,244,409
Total Unrestricted	63,249,308	118,850	101,392	74,866	4,344,283	121,048	-	38,737	(1,136,404)	66,912,080	9,184,120	57,727,960
Temporarily restricted - Programs	8,017,347	-	-	-	-	-	-	-	-	8,017,347	-	8,017,347
Temporarily restricted - Financing	37,181,850	-	-	-	1,457,966	-	-	-	-	38,639,816	-	38,639,816
Temporarily restricted - Re-granting	9,193,591	-	-	-	-	-	-	-	-	9,193,591	-	9,193,591
Total Temporarily Restricted	54,392,788	-	-	-	1,457,966	-	-	-	-	55,850,754	-	55,850,754
Permanently restricted	50,124,350	-	-	-	-	-	-	-	-	50,124,350	-	50,124,350
Total Net Assets	167,766,446	118,850	101,392	74,866	5,802,249	121,048	-	38,737	(1,136,404)	172,887,184	9,184,120	163,703,064
Total Liabilities and Net Assets	$ 423,670,264	$ 1,278,199	$ 130,630	$ 74,866	$ 42,274,350	$ 121,048	$ -	$ 38,737	$ (1,838,420)	$ 465,749,674	$ 9,253,034	$ 456,496,640

Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Financial Position
December 31, 2015

	TRF	EFI	NMTC	TC-TRF	Development Partners	Education Funding	Reinvest I - IV	Fund Manager	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Assets												
Current Assets												
Cash, cash equivalents and certificate of deposit	$ 11,011,816	$ 58,116	$ 78,414	$ -	$ 2,040,854	$ -	$ -	$ 18,585	$ -	$ 13,207,785	$ -	$ 13,207,785
Grants and contributions receivable	828,865	-	-	-	-	-	-	-	-	828,865	-	828,865
Investments in marketable securities	17,487,873	-	-	-	-	-	-	-	-	17,487,873	458,689	17,029,184
Accounts receivable - related parties	369	-	-	-	-	37,333	400	-	(38,102)	-	-	-
Loans and leases	87,997,781	6,289	-	-	-	-	-	-	(296,684)	87,707,386	787,500	86,919,886
Allowance for losses	(4,797,723)	(14)	-	-	-	-	-	-	16,318	(4,781,419)	(36,023)	(4,745,396)
Other	3,532,186	62	16,073	-	2,877,956	-	-	6,321	-	6,432,598	16,102	6,416,496
Restricted cash, cash equivalents and certificate of deposit	26,358,009	-	-	-	1,238,381	-	-	-	-	27,596,390	288,741	27,307,649
	142,419,176	64,453	94,487	-	6,157,191	37,333	400	24,906	(318,468)	148,479,478	1,515,009	146,964,469
Noncurrent Assets												
Investments in marketable securities	24,373,685	-	-	-	-	-	-	-	-	24,373,685	7,167,789	17,205,896
Due from related parties	740,998	-	-	-	-	-	-	-	(740,998)	-	-	-
Loans and leases	207,327,035	80,728	-	-	1,100,000	-	-	-	(500,000)	208,007,763	924,727	207,083,036
Allowance for losses	(11,311,910)	(186)	-	-	-	-	-	-	27,500	(11,284,596)	(42,300)	(11,242,296)
Investments in limited partnerships and program investments	678,058	-	33,207	-	146	48,766	-	1,439	-	761,616	-	761,616
Equipment, leasehold improvements and software, net	2,444,063	-	-	-	2,768	-	-	-		2,446,831	-	2,446,831
Investments in consolidated subsidiaries	1,249,658	-	-	-	-	-	-	-	(1,249,658)	-	-	-
Property held for development or sale, net	-	-	-	-	6,082,444	-	-	-	(219,357)	5,863,087	-	5,863,087
Rental property, net	-	-	-	-	28,168,849	-	-	-	-	28,168,849	-	28,168,849
Other	506,318	-	(879)	-	464,573	-	-	-	(280,738)	689,274	-	689,274
	226,007,905	80,542	32,328	-	35,818,780	48,766	-	1,439	(2,963,251)	259,026,509	8,050,216	250,976,293
Total Assets	$ 368,427,081	$ 144,995	$ 126,815	$ -	$ 41,975,971	$ 86,099	$ 400	$ 26,345	$ (3,281,719)	$ 407,505,987	$ 9,565,225	$ 397,940,762
Liabilities and Net Assets												
Current Liabilities												
Accounts payable and accrued expenses	$ 2,149,799	$ 1,200	$ -	$ -	$ 897,225	$ -	$ -	$ -	$ -	$ 3,048,224	$ 328,500	$ 2,719,724
Escrow payable and due to third parties	3,196,525	-	-	-	147,622	-	-	-	(22,050)	3,322,097	55,000	3,267,097
Accounts payable - related parties	296,844	-	-	-	-	-	-	-	(296,844)	-	369	(369)
Deferred revenue	900,088	-	-	-	2,463,603	-	-	-	(394,838)	2,968,853	-	2,968,853
Other	791,384	-	-	-	211,989	-	-	-	-	1,003,373	-	1,003,373
Recoverable grants	5,793,681	-	-	-		-	-	-	-	5,793,681	-	5,793,681
Loans payable, current portion	33,323,930	37,931	-	-	4,769,020	-	-	-	(296,684)	37,834,197	-	37,834,197
	46,452,251	39,131	-	-	8,489,459	-	-	-	(1,010,416)	53,970,425	383,869	53,586,556
Noncurrent Liabilities												
Due to related parties	-	-	-	-	740,998	-	-	-	(740,998)	-	-	-
Loans payable, less current maturities	147,687,927	-	-	-	26,975,876	-	-	-	(500,000)	174,163,803	-	174,163,803
Loans payable, EQ2	18,708,000	-	-	-	-	-	-	-	-	18,708,000	-	18,708,000
Escrow payable and due to third parties	524,108	-	-	-	-	-	-	-	-	524,108	-	524,108
Other	9,212,316	-	-	-	-	-	-	-	-	9,212,316	-	9,212,316
	176,132,351	-	-	-	27,716,874	-	-	-	(1,240,998)	202,608,227	-	202,608,227
Total Liabilities	222,584,602	39,131	-	-	36,206,333	-	-	-	(2,251,414)	256,578,652	383,869	256,194,783
Commitments and Contingencies												
Paid in capital	-	1,010,000	-	-	-	60,100	400	-	(1,070,500)	-	-	-
Earnings/(Deficit)	-	(904,136)	126,815	-	-	25,999	-	26,345	724,977	-	-	-
Net Assets												
Unrestricted	49,180,834	-	-	-	(2,600,783)	-	-	-	(684,782)	45,895,269	-	45,895,269
Unrestricted - Contractually limited as to use	9,181,356	-	-	-	-	-	-	-	-	9,181,356	9,181,356	-
Non-controlling interest in consolidating subsidiaries	-	-	-	-	5,858,885	-	-	-	-	5,858,885	-	5,858,885
Total Unrestricted	58,362,190	105,864	126,815	-	3,258,102	86,099	400	26,345	(1,030,305)	60,935,510	9,181,356	51,754,154
Temporarily restricted - Programs	2,695,581	-	-	-	-	-	-	-	-	2,695,581	-	2,695,581
Temporarily restricted - Financing	31,026,292	-	-	-	2,511,536	-	-	-	-	33,537,828	-	33,537,828
Temporarily restricted - Re-granting	3,646,681	-	-	-	-	-	-	-	-	3,646,681	-	3,646,681
Total Temporarily Restricted	37,368,554	-	-	-	2,511,536	-	-	-	-	39,880,090	-	39,880,090
Permanently restricted	50,111,735	-	-	-	-	-	-	-	-	50,111,735	-	50,111,735
Total Net Assets	145,842,479	105,864	126,815	-	5,769,638	86,099	400	26,345	(1,030,305)	150,927,335	9,181,356	141,745,979
Total Liabilities and Net Assets	$ 368,427,081	$ 144,995	$ 126,815	$ -	$ 41,975,971	$ 86,099	$ 400	$ 26,345	$ (3,281,719)	$ 407,505,987	$ 9,565,225	$ 397,940,762

Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Activities
For the Year Ended December 31, 2016

	TRF	PolicyMap	EFI	NMTC	Development Partners	Education Funding	Reinvest I - IV	Fund Manager	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Financial Activity												
Financial Income												
Interest and dividend income from:												
Investments	$ 544,278	$ -	$ 95	$ 100	$ 1,301	$ -	$ -	$ 90	$ -	$ 545,864	$ 79,715	$ 466,149
Loans and leases	17,610,057	-	6,913	-	-	-	-	-	(19,514)	17,597,456	270,572	17,326,884
Investment gains, net												
Equity gains (losses) in limited partnerships	(727)	-	-	3,440	-	34,949	-	(21)	-	37,641	-	37,641
Loan and lease fees	1,170,564	-	-	-	-	-	-	-	-	1,170,564	18,938	1,151,626
Asset management fee, net	1,718,588	-	-	-	-	-	-	53,329	-	1,771,917	-	1,771,917
Total Financial Income	21,042,760	-	7,008	3,540	1,301	34,949	-	53,398	(19,514)	21,123,442	369,225	20,754,217
Financial Expense												
Interest expense	6,576,210	-	1,302	-	149,100	-	-	-	(19,459)	6,707,153	-	6,707,153
Investment losses, net												
Marketable securities	59,385	-	-	-	-	-	-	-	-	59,385	(24,531)	83,916
Equity losses in consolidated subsidiaries	1,236,542	-	-	-	-	-	-	-	(1,236,542)	-	-	-
Provision for loan and lease losses	2,185,190	-	(534)	-	-	-	-	-	(471,099)	1,713,557	389,025	1,324,532
Total Financial Expense	10,057,327	-	768	-	149,100	-	-	-	(1,727,100)	8,480,095	364,494	8,115,601
Net Financial Income	10,985,433	-	6,240	3,540	(147,799)	34,949	-	53,398	1,707,586	12,643,347	4,731	12,638,616
Revenue and Support												
Grants and contributions	29,184,427	-	-	-	1,423,636	-	-	-	(325,000)	30,283,063	-	30,283,063
Program services and fees	2,360,151	2,263,352	-	-	543,793	-	-	-	571,712	5,739,008	161	5,738,847
Other income	94,183	-	-	-	5,303	-	-	-	-	99,486	-	99,486
Total Revenue and Support	31,638,761	2,263,352	-	-	1,972,732	-	-	-	246,712	36,121,557	161	36,121,396
Program and General Expenses and Other Decreases												
Program and General Expenses												
Program - Lending and Community Investing	13,508,401	-	10,378	1,532	-	-	-	1,006	25,809	13,547,126	2,128	13,544,998
Program - Policy Solutions	1,536,890	-	-	-	-	-	-	-	6,325	1,543,215	-	1,543,215
Program - PolicyMap	-	3,589,244	-	-	-	-	-	-	(215,652)	3,373,592	-	3,373,592
Program - Development Partners	531,306	-	-	-	3,468,943	-	-	-	(319,139)	3,681,110	-	3,681,110
Management and general	5,123,630	-	-	-	-	-	-	-	(37,995)	5,085,635	-	5,085,635
Total Program and General Expenses	20,700,227	3,589,244	10,378	1,532	3,468,943	-	-	1,006	(540,652)	27,230,678	2,128	27,228,550
Other Decreases (Increases)												
Forgiveness of debt from related parties	-	-	334	-	(1,250,998)	-	-	-	1,250,664	-	-	-
Total Other Decreases (Increases)	-	-	334	-	(1,250,998)	-	-	-	1,250,664	-	-	-
Total Expenses and Other Decreases (Increases)	20,700,227	3,589,244	10,712	1,532	2,217,945	-	-	1,006	710,012	27,230,678	2,128	27,228,550
Net income (loss)	-	-	(4,472)	2,008	-	34,949	-	52,392	(84,877)	-	-	-
Change in net assets	21,923,967	(1,325,892)	-	-	(393,012)	-	-	-	1,329,163	21,534,226	2,764	21,531,462
Capital contributions (distributions), net	-	1,444,742	-	(53,957)	425,623	-	(400)	(40,000)	(1,350,385)	425,623	-	425,623
Change in net assets	21,923,967	118,850	(4,472)	(51,949)	32,611	34,949	(400)	12,392	(106,099)	21,959,849	2,764	21,957,085
Net assets, beginning	145,842,479	-	105,864	126,815	5,769,638	86,099	400	26,345	(1,030,305)	150,927,335	9,181,356	141,745,979
Net assets, ending	$ 167,766,446	$ 118,850	$ 101,392	$ 74,866	$ 5,802,249	$ 121,048	$ -	$ 38,737	$ (1,136,404)	$ 172,887,184	$ 9,184,120	$ 163,703,064

Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Activities
For the Year Ended December 31, 2015

	TRF	EFI	NMTC	TC-TRF	Development Partners	Education Funding	Reinvest I - IV	Fund Manager	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Financial Activity												
Financial Income												
Interest and dividend income from:												
Investments	$ 414,029	$ -	$ -	$ -	$ 2,796	$ -	$ -	$ -	$ -	$ 416,825	$ 102,280	$ 314,545
Loans and leases	14,475,345	9,434	-	-	-	-	-	-	(27,917)	14,456,862	30,653	14,426,209
Investment gains, net												
Gain on transfer of limited liability company	-	-	49,314	-	-	-	-	-	-	49,314	-	49,314
Equity gains in consolidated subsidiaries	275,659	-	-	-	-	-	-	-	(275,659)	-	-	-
Loan and lease fees	831,943	71	-	-	-	-	-	-	-	832,014	8,553	823,461
Asset management fee, net	1,470,598	-	40,381	-	-	-	-	53,329	-	1,564,308	-	1,564,308
Total Financial Income	17,467,574	9,505	89,695	-	2,796	-	-	53,329	(303,576)	17,319,323	141,486	17,177,837
Financial Expense												
Interest expense	5,369,158	3,018	-	-	64,531	-	-	-	(27,917)	5,408,790	-	5,408,790
Investment losses, net												
Marketable securities	181,316	-	-	-	-	-	-	-	-	181,316	48,136	133,180
Equity (gains) losses in limited partnerships	19,184	-	888	-	(601)	(1,533)	-	15	-	17,953	-	17,953
Provision for loan and lease losses	2,446,748	(186,431)	-	-	-	-	-	-	268,269	2,528,586	35,263	2,493,323
Total Financial Expense	8,016,406	(183,413)	888	-	63,930	(1,533)	-	15	240,352	8,136,645	83,399	8,053,246
Net Financial Income	9,451,168	192,918	88,807	-	(61,134)	1,533	-	53,314	(543,928)	9,182,678	58,087	9,124,591
Revenue and Support												
Grants and contributions	5,826,689	-	-	-	2,685,139	-	-	-	(75,000)	8,436,828	-	8,436,828
Program services and fees	5,522,850	-	-	-	412,431	-	-	-	(46,665)	5,888,616	-	5,888,616
Other income	51,887	-	-	2,777	(11,817)	-	-	-	-	42,847	-	42,847
Total Revenue and Support	11,401,426	-	-	2,777	3,085,753	-	-	-	(121,665)	14,368,291	-	14,368,291
Program and General Expenses and Other Decreases												
Program and General Expenses												
Program - Lending and Community Investing	8,938,945	11,711	751	545	-	-	-	761	-	8,952,713	425,266	8,527,447
Program - Policy Solutions	1,444,988	-	-	-	-	-	-	-	-	1,444,988	-	1,444,988
Program - PolicyMap	2,997,641	-	-	-	-	-	-	-	-	2,997,641	-	2,997,641
Program - Development Partners	287,722	-	-	-	5,671,877	-	-	-	(76,500)	5,883,099	-	5,883,099
Management and general	4,666,026	-	-	-	-	-	-	-	-	4,666,026	-	4,666,026
Total Program and General Expenses	18,335,322	11,711	751	545	5,671,877	-	-	761	(76,500)	23,944,467	425,266	23,519,201
Other Decreases (Increases)												
Charges related to revolving loan fund	(33,638)	-	-	-	-	-	-	-	-	(33,638)	-	(33,638)
Forgiveness of debt from related parties	-	183,375	-	-	(10,000)	-	-	-	(173,375)	-	-	-
Total Other Decreases (Increases)	(33,638)	183,375	-	-	(10,000)	-	-	-	(173,375)	(33,638)	-	(33,638)
Total Expenses and Other Decreases (Increases)	18,301,684	195,086	751	545	5,661,877	-	-	761	(249,875)	23,910,829	425,266	23,485,563
Net income (loss)	-	(2,168)	88,056	2,232	-	1,533	-	52,553	(142,206)	-	-	-
Change in net assets	2,550,910	-	-	-	(2,637,258)	-	-	-	(273,512)	(359,860)	(367,179)	7,319
Capital contributions (distributions), net	-	-	(450,031)	(2,641,110)	1,902,160	-	-	(165,000)	3,256,144	1,902,163	-	1,902,163
Change in net assets	2,550,910	(2,168)	(361,975)	(2,638,878)	(735,098)	1,533	-	(112,447)	2,840,426	1,542,303	(367,179)	1,909,482
Net assets, beginning	143,291,569	108,032	488,790	2,638,878	6,504,736	84,566	400	138,792	(3,870,731)	149,385,032	9,548,535	139,836,497
Net assets, ending	$ 145,842,479	$ 105,864	$ 126,815	$ -	$ 5,769,638	$ 86,099	$ 400	$ 26,345	$ (1,030,305)	$ 150,927,335	$ 9,181,356	$ 141,745,979

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Financial Position
December 31, 2016

	DP	Baltimore	Philly	Ridge	Scotland Commons	Manlove Manor	Jackson Green	EBMM	EBMT	EBMMII	EBMTII	EBMMIII	EBMTIII	Mount Holly	Eliminations & Reclassifications	Total
Assets																
Current Assets																
Cash and cash equivalents	$ 399,648	$ 594,049	$ 32,257	$ 2,920	$ -	$ 149,560	$ 30,915	$ 78,589	$ 2,733	$ 37,178	$ 4,453	$ 595,640	$ -	$ 43,689	$ -	$ 1,971,631
Grants and contributions receivable	90,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,700
Accounts receivable - related parties	6,633,089	-	1,126,388	-	-	-	411	34,756	-	22,782	-	-	-	-	(7,817,426)	-
Other	185,489	738,851	-	-	-	21,870	2,910,166	-	20,483	-	22,164	-	-	30,294	(580,373)	3,348,944
Restricted cash and cash equivalents	-	58,703	-	-	-	440,232	112,316	148,056	43,390	35,209	29,702	-	-	52,185	-	919,793
	7,308,926	1,391,603	1,158,645	2,920	-	611,662	3,053,808	261,401	66,606	95,169	56,319	595,640	-	126,168	(8,397,799)	6,331,068
Noncurrent Assets																
Accounts receivable - related parties	1,614,489	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,614,489)	-
Loans and leases	2,910,114	5,623,116	-	-	-	-	-	-	-	-	-	-	-	-	(7,433,230)	1,100,000
Investments in consolidated subsidiaries	(3,430,906)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,430,906	-
Property, equipment and leasehold improvements, net	109,637	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,637
Property held for development or sale, net	-	1,835,730	-	924,976	-	-	1,328,761	-	-	-	-	2,226,355	-	642,353	104,108	7,062,283
Rental property, net	-	9,535,538	-	-	-	5,742,128	-	9,577,942	-	8,573,050	-	-	-	-	(6,042,922)	27,385,736
Other	3,598	-	-	-	-	4,116	158,270	-	-	-	-	-	-	119,642	-	285,626
	1,206,932	16,994,384	-	924,976	-	5,746,244	1,487,031	9,577,942	-	8,573,050	-	2,226,355	-	761,995	(11,555,627)	35,943,282
Total Assets	$ 8,515,858	$ 18,385,987	$ 1,158,645	$ 927,896	$ -	$ 6,357,906	$ 4,540,839	$ 9,839,343	$ 66,606	$ 8,668,219	$ 56,319	$ 2,821,995	$ -	$ 888,163	$ (19,953,426)	$ 42,274,350
Liabilities and Net Assets																
Current Liabilities																
Accounts payable and accrued expenses	$ 11,467	$ 111,840	$ 198,425	$ 152,930	$ 1,800	$ 15,630	$ -	$ 9,201	$ 22,936	$ 22,455	$ 16,914	$ 29,060	$ -	$ 3,600	$ -	$ 596,258
Escrow payable and due to third parties	-	58,703	-	-	-	11,669	4,500	-	43,387	-	29,702	-	-	-	-	147,961
Accounts payable - related parties	1,768,755	2,533,026	891,260	1,575,068	4,478	23,969	1,125,220	17,633	328,673	259,904	134,365	683,114	2,790	83,655	(9,431,910)	-
Deferred revenue	877,097	2,137,144	-	-	-	25,031	-	66,442	-	-	-	-	-	-	(1,172,249)	1,933,465
Other	5,820	370,731	-	-	-	61,056	19,892	459,135	-	65,774	-	1,597	-	80,863	(581,366)	483,502
Loans payable, current portion	-	1,698,485	-	120,000	-	9,393	829,304	126,482	-	99,477	-	10,294	-	400,000	(78,750)	3,214,685
	2,663,139	6,909,929	1,089,685	1,847,998	6,278	146,748	1,978,916	678,893	394,996	447,610	180,981	724,065	2,790	568,118	(11,264,275)	6,375,871
Noncurrent Liabilities																
Due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans payable, less current maturities	1,730,266	14,392,080	-	-	-	2,753,038	3,013,400	7,627,796	-	5,862,442	-	1,746,839	-	324,849	(7,354,480)	30,096,230
Other	-	-	-	-	-	-	-	1,219,012	-	395,477	-	-	-	-	(1,614,489)	-
	1,730,266	14,392,080	-	-	-	2,753,038	3,013,400	8,846,808	-	6,257,919	-	1,746,839	-	324,849	(8,968,969)	30,096,230
Total Liabilities	4,393,405	21,302,009	1,089,685	1,847,998	6,278	2,899,786	4,992,316	9,525,701	394,996	6,705,529	180,981	2,470,904	2,790	892,967	(20,233,244)	36,472,101
Commitments and Contingencies																
Paid-in-Capital	-	643,721	661,344	60,000	100	-	-	-	-	750,001	-	-	-	-	(2,115,166)	-
Accumulated Deficit	-	(3,651,654)	(592,384)	(980,102)	(6,378)	(2,017)	(451,477)	(16,716)	(328,390)	204,046	(124,662)	(2,269)	(2,790)	(4,804)	5,959,597	-
Net Assets																
Unrestricted	2,664,487	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,564,613)	(900,126)
Non-controlling interest	-	91,911	-	-	-	3,460,137	-	330,358	-	1,008,643	-	353,360	-	-	-	5,244,409
Total Unrestricted	2,664,487	(2,916,022)	68,960	(920,102)	(6,278)	3,458,120	(451,477)	313,642	(328,390)	1,962,690	(124,662)	351,091	(2,790)	(4,804)	279,818	4,344,283
Temporarily restricted - Financing	1,457,966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,457,966
Total Temporarily Restricted	1,457,966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,457,966
Total Net Assets	4,122,453	(2,916,022)	68,960	(920,102)	(6,278)	3,458,120	(451,477)	313,642	(328,390)	1,962,690	(124,662)	351,091	(2,790)	(4,804)	279,818	5,802,249
Total Liabilities and Net Assets	$ 8,515,858	$ 18,385,987	$ 1,158,645	$ 927,896	$ -	$ 6,357,906	$ 4,540,839	$ 9,839,343	$ 66,606	$ 8,668,219	$ 56,319	$ 2,821,995	$ -	$ 888,163	$ (19,953,426)	$ 42,274,350

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Financial Position
December 31, 2015

	DP	Baltimore	Philly	Ridge	Scotland Commons	Manlove Manor	Jackson Green	EBMM	EBMT	EBMMII	EBMTII	Mount Holly	Eliminations & Reclassifications	Total
Assets														
Current Assets														
Cash and cash equivalents	$ 495,802	$ 327,801	$ 360,064	$ 5,711	$ -	$ 217,368	$ 58,584	$ 176,462	$ 9,560	$ 339,252	$ 3,930	$ 46,320	$ -	$ 2,040,854
Accounts receivable - related parties	6,802,224	-	1,082,660	-	-	-	-	34,675	-	18,614	-	-	(7,938,173)	-
Loans and leases	500,000	518,986	-	-	-	-	-	-	-	-	-	-	(1,018,986)	-
Other	104,788	535,448	-	300,071	-	22,261	2,275,572	-	21,557	-	27,774	243	(409,758)	2,877,956
Restricted cash and cash equivalents	-	540,138	-	126	-	427,199	22,028	148,000	43,849	35,209	21,832	-	-	1,238,381
	7,902,814	1,922,373	1,442,724	305,908	-	666,828	2,356,184	359,137	74,966	393,075	53,536	46,563	(9,366,917)	6,157,191
Noncurrent Assets														
Loans and leases	1,992,500	4,596,831	-	-	-	-	-	-	-	-	-	-	(5,489,331)	1,100,000
Investments in limited partnerships	-	-	-	-	146	-	-	-	-	-	-	-	-	146
Investments in consolidated subsidiaries	(2,760,972)	-	-	-	-	-	-	-	-	-	-	-	2,760,972	-
Property, equipment and leasehold improvements, net	2,768	-	-	-	-	-	-	-	-	-	-	-	-	2,768
Property held for development or sale, net	-	2,066,864	-	1,070,922	-	9,659	2,270,122	-	-	975,273	-	270,291	(580,687)	6,082,444
Rental property, net	-	9,904,316	-	-	-	6,017,509	-	9,981,308	-	7,499,454	-	-	(5,233,738)	28,168,849
Other	1,219,012	-	-	-	-	4,116	280,738	-	-	-	-	179,719	(1,219,012)	464,573
	453,308	16,568,011	-	1,070,922	146	6,031,284	2,550,860	9,981,308	-	8,474,727	-	450,010	(9,761,796)	35,818,780
Total Assets	$ 8,356,122	$ 18,490,384	$ 1,442,724	$ 1,376,830	$ 146	$ 6,698,112	$ 4,907,044	$ 10,340,445	$ 74,966	$ 8,867,802	$ 53,536	$ 496,573	$ (19,128,713)	$ 41,975,971
Liabilities and Net Assets														
Current Liabilities														
Accounts payable and accrued expenses	$ 279,451	$ 201,713	$ 152,154	$ 170,736	$ 3,600	$ 14,800	$ 31,540	$ 7,705	$ 17,135	$ 9,354	$ 8,269	$ 768	$ -	$ 897,225
Escrow payable and due to third parties	-	68,264	-	-	-	10,711	1,525	-	45,467	-	21,655	-	-	147,622
Accounts payable - related parties	161,056	2,678,080	805,223	1,860,543	1,465	12,670	1,216,234	11,039	161,095	589,873	59,538	7,852	(7,564,668)	-
Deferred revenue	1,291,541	2,370,641	-	-	-	23,693	-	1,288,281	-	-	-	-	(2,510,553)	2,463,603
Other	4,011	154,876	-	-	-	45,273	19,892	323,967	-	20,851	-	53,049	(409,930)	211,989
Loans payable, current portion	-	3,068,114	-	154,286	-	8,942	967,507	86,963	-	111,901	-	371,307	-	4,769,020
	1,736,059	8,541,688	957,377	2,185,565	5,065	116,089	2,236,698	1,717,955	223,697	731,979	89,462	432,976	(10,485,151)	8,489,459
Noncurrent Liabilities														
Due to related parties	740,998	-	-	-	-	-	-	-	-	-	-	-	-	740,998
Loans payable, less current maturities	1,100,000	12,775,508	-	62,500	-	2,825,823	3,177,300	7,933,712	-	5,501,419	-	107,931	(6,508,317)	26,975,876
Other	-	-	-	-	-	-	-	-	-	373,506	-	-	(373,506)	-
	1,840,998	12,775,508	-	62,500	-	2,825,823	3,177,300	7,933,712	-	5,874,925	-	107,931	(6,881,823)	27,716,874
Total Liabilities	3,577,057	21,317,196	957,377	2,248,065	5,065	2,941,912	5,413,998	9,651,667	223,697	6,606,904	89,462	540,907	(17,366,974)	36,206,333
Commitments and Contingencies														
Paid-in-Capital	-	686,971	661,344	60,000	100	-	-	72,648	-	-	-	-	(1,481,063)	-
Accumulated Deficit	-	(3,610,072)	(175,997)	(931,235)	(5,019)	8,556	(506,954)	(85,916)	(148,731)	947,992	(35,926)	(44,334)	4,587,636	-
Net Assets														
Unrestricted	2,267,529	-	-	-	-	-	-	-	-	-	-	-	(4,868,312)	(2,600,783)
Non-controlling interest	-	96,289	-	-	-	3,747,644	-	702,046	-	1,312,906	-	-	-	5,858,885
Total Unrestricted	2,267,529	(2,826,812)	485,347	(871,235)	(4,919)	3,756,200	(506,954)	688,778	(148,731)	2,260,898	(35,926)	(44,334)	(1,761,739)	3,258,102
Temporarily restricted - Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily restricted - Financing	2,511,536	-	-	-	-	-	-	-	-	-	-	-	-	2,511,536
Total Temporarily Restricted	2,511,536	-	-	-	-	-	-	-	-	-	-	-	-	2,511,536
Total Net Assets	4,779,065	(2,826,812)	485,347	(871,235)	(4,919)	3,756,200	(506,954)	688,778	(148,731)	2,260,898	(35,926)	(44,334)	(1,761,739)	5,769,638
Total Liabilities and Net Assets	$ 8,356,122	$ 18,490,384	$ 1,442,724	$ 1,376,830	$ 146	$ 6,698,112	$ 4,907,044	$ 10,340,445	$ 74,966	$ 8,867,802	$ 53,536	$ 496,573	$ (19,128,713)	$ 41,975,971

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2016

	DP	Baltimore	Philly	Ridge	Scotland Commons	Manlove Manor	Jackson Green	EBMM	EBMT	EBMMII	EBMTII	EBMMIII	EBMTIII	Mount Holly	Eliminations & Reclassifications	Total
Financial Activity																
Financial Income																
Interest and dividend income from:																
Investments	$ 848	$ 1	$ -	$ -	$ -	$ 1	$ 323	$ 74	$ 2	$ -	$ -	$ -	$ -	$ 52	$ -	$ 1,301
Loans and leases	-	198,646	-	-	-	-	-	-	-	-	-	-	-	-	(198,646)	-
Asset management fee	884,285	-	-	-	-	-	-	-	-	-	-	-	-	-	(884,285)	-
Total Financial Income	885,133	198,647	-	-	-	1	323	74	2	-	-	-	-	52	(1,082,931)	1,301
Financial Expense																
Interest expense	1,810	151,791	-	-	-	12,538	14,022	25,980	-	22,100	-	-	-	-	(79,141)	149,100
Asset management fee	-	210,000	600,000	42,000	-	32,285	-	-	-	-	-	-	-	-	(884,285)	-
Investment losses, net																
Equity losses in consolidated subsidiaries	787,746	-	-	-	-	-	-	-	-	-	-	-	-	-	(787,746)	-
Total Financial Expense	789,556	361,791	600,000	42,000	-	44,823	14,022	25,980	-	22,100	-	-	-	-	(1,751,172)	149,100
Net Financial Income	95,577	(163,144)	(600,000)	(42,000)	-	(44,822)	(13,699)	(25,906)	2	(22,100)	-	-	-	52	668,241	(147,799)
Revenue and Support																
Grants and contributions	1,423,636	-	-	-	-	-	-	-	-	-	-	-	-	75,000	(75,000)	1,423,636
Program services and fees	294,097	54,352	221,343	(264)	-	53,585	31,880	29,043	(179,197)	24,790	(79,152)	-	-	40,376	52,940	543,793
Other	-	4,051	-	-	1,252	-	-	-	-	-	-	-	-	-	-	5,303
Total Revenue and Support	1,717,733	58,403	221,343	(264)	1,252	53,585	31,880	29,043	(179,197)	24,790	(79,152)	-	-	115,376	(22,060)	1,972,732
Program and General Expenses																
Program and General Expenses																
Program - Development Partners	1,991,908	612,281	37,730	6,603	2,611	288,078	(37,296)	420,912	464	339,938	9,584	11,618	2,790	75,898	(294,176)	3,468,943
Total Program and General Expenses	1,991,908	612,281	37,730	6,603	2,611	288,078	(37,296)	420,912	464	339,938	9,584	11,618	2,790	75,898	(294,176)	3,468,943
Other Increases																
Provision for Bad Debt - Prior Year	1,219,012	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,219,012)	-
Forgiveness of debt from related parties	(740,998)	(510,000)	-	-	-	-	-	-	-	-	-	-	-	-		(1,250,998)
Total Other (Increases) Decreases	478,014	(510,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,219,012)	(1,250,998)
Total Expenses and Other (Increases) Decreases	2,469,922	102,281	37,730	6,603	2,611	288,078	(37,296)	420,912	464	339,938	9,584	11,618	2,790	75,898	(1,513,188)	2,217,945
Net income/(loss)	-	(207,022)	(416,387)	(48,867)	(1,359)	(279,315)	55,477	(417,775)	(179,659)	(337,248)	(88,736)	(11,618)	(2,790)	39,530	1,895,769	-
Change in net assets	(656,612)	-	-	-	-	-	-	-	-	-	-	-	-	-	263,600	(393,012)
Capital contributions, net	-	117,812	-	-	-	(18,765)	-	42,639	-	39,040	-	362,709	-	-	(117,812)	425,623
Change in net assets	(656,612)	(89,210)	(416,387)	(48,867)	(1,359)	(298,080)	55,477	(375,136)	(179,659)	(298,208)	(88,736)	351,091	(2,790)	39,530	2,041,557	32,611
Net assets, beginning	4,779,065	(2,826,812)	485,347	(871,235)	(4,919)	3,756,200	(506,954)	688,778	(148,731)	2,260,898	(35,926)	-	-	(44,334)	(1,761,739)	5,769,638
Net assets, ending	$ 4,122,453	$ (2,916,022)	$ 68,960	$ (920,102)	$ (6,278)	$ 3,458,120	$ (451,477)	$ 313,642	$ (328,390)	$ 1,962,690	$ (124,662)	$ 351,091	$ (2,790)	$ (4,804)	$ 279,818	$ 5,802,249

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2015

	DP	Baltimore	Philly	Ridge	Scotland Commons	Manlove Manor	Jackson Green	EBMM	EBMT	EBMMII	EBMTII	Mount Holly	Eliminations & Reclassifications	Total
Financial Activity														
Financial Income														
Interest and dividend income from:														
Investments	$ -	$ 11	$ 2,459	$ -	$ -	$ -	$ 220	$ 74	$ -	$ -	$ -	$ 32	$ -	$ 2,796
Loans and leases	(40,003)	190,141	-	-	-	-	-	-	-	-	-	-	(150,138)	-
Investment gains, net														
Equity gains in limited partnerships	-	554	-	-	47	-	-	-	-	-	-	-	-	601
Equity gains in consolidated subsidiaries	648,095	-	-	-	-	-	-	-	-	-	-	-	(648,095)	-
Asset management fee	863,000	3,240	-	-	-	-	-	-	-	-	-	-	(866,240)	-
Total Financial Income	1,471,092	193,946	2,459	-	47	-	220	74	-	-	-	32	(1,664,473)	3,397
Financial Expense														
Interest expense	-	55,505	-	-	-	11,160	24,826	(19,151)	-	10,223	-	9,929	(27,961)	64,531
Asset management fee	-	221,000	600,000	42,000	-	-	-	-	-	-	-	-	(863,000)	-
Investment losses, net														
Marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Expense	-	276,505	600,000	42,000	-	11,160	24,826	(19,151)	-	10,223	-	9,929	(890,961)	64,531
Net Financial Income	1,471,092	(82,559)	(597,541)	(42,000)	47	(11,160)	(24,606)	19,225	-	(10,223)	-	(9,897)	(773,512)	(61,134)
Revenue and Support														
Grants and contributions	1,364,692	1,374,172	-	-	-	-	-	-	-	196,000	-	372,322	(622,047)	2,685,139
Program services and fees	906,014	215,577	1,625,399	(14,111)	-	137,596	(86,388)	(12,763)	(95,468)	14,367	(27,977)	-	(2,249,815)	412,431
Other	-	(11,842)	-	-	-	-	-	25	-	-	-	-	-	(11,817)
Total Revenue and Support	2,270,706	1,577,907	1,625,399	(14,111)	-	137,596	(86,388)	(12,738)	(95,468)	210,367	(27,977)	372,322	(2,871,862)	3,085,753
Program and General Expenses														
Program and General Expenses														
Program - Development Partners	3,828,241	2,109,008	46,541	9,572	4,046	279,298	(867,617)	471,516	18,135	184,738	6,306	367,718	(785,625)	5,671,877
Management and general	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Program and General Expenses	3,828,241	2,109,008	46,541	9,572	4,046	279,298	(867,617)	471,516	18,135	184,738	6,306	367,718	(785,625)	5,671,877
Other Increases														
Forgiveness of debt from related parties	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Total Other (Increases) Decreases	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Total Expenses and Other (Increases) Decreases	3,828,241	2,099,008	46,541	9,572	4,046	279,298	(867,617)	471,516	18,135	184,738	6,306	367,718	(785,625)	5,661,877
Net income/(loss)	-	(603,660)	981,317	(65,683)	(3,999)	(152,862)	756,623	(465,029)	(113,603)	15,406	(34,283)	(5,293)	(308,934)	-
Change in net assets	(86,443)	-	-	-	-	-	-	-	-	-	-	-	(2,550,815)	(2,637,258)
Capital contributions, net	-	382,188	-	-	-	-	-	1,022,784	-	875,276	-	-	(378,088)	1,902,160
Change in net assets	(86,443)	(221,472)	981,317	(65,683)	(3,999)	(152,862)	756,623	557,755	(113,603)	890,682	(34,283)	(5,293)	(3,237,837)	(735,098)
Net assets, beginning	4,865,508	(2,605,340)	(495,970)	(805,552)	(920)	3,909,062	(1,263,577)	131,023	(35,128)	1,370,216	(1,643)	(39,041)	1,476,098	6,504,736
Net assets, ending	$ 4,779,065	$ (2,826,812)	$ 485,347	$ (871,235)	$ (4,919)	$ 3,756,200	$ (506,954)	$ 688,778	$ (148,731)	$ 2,260,898	$ (35,926)	$ (44,334)	$ (1,761,739)	$ 5,769,638

Reinvestment Fund, Inc. and Affiliates

Consolidated Schedules of Functional Expenses
For the Years Ended December 31, 2016 and 2015

2016

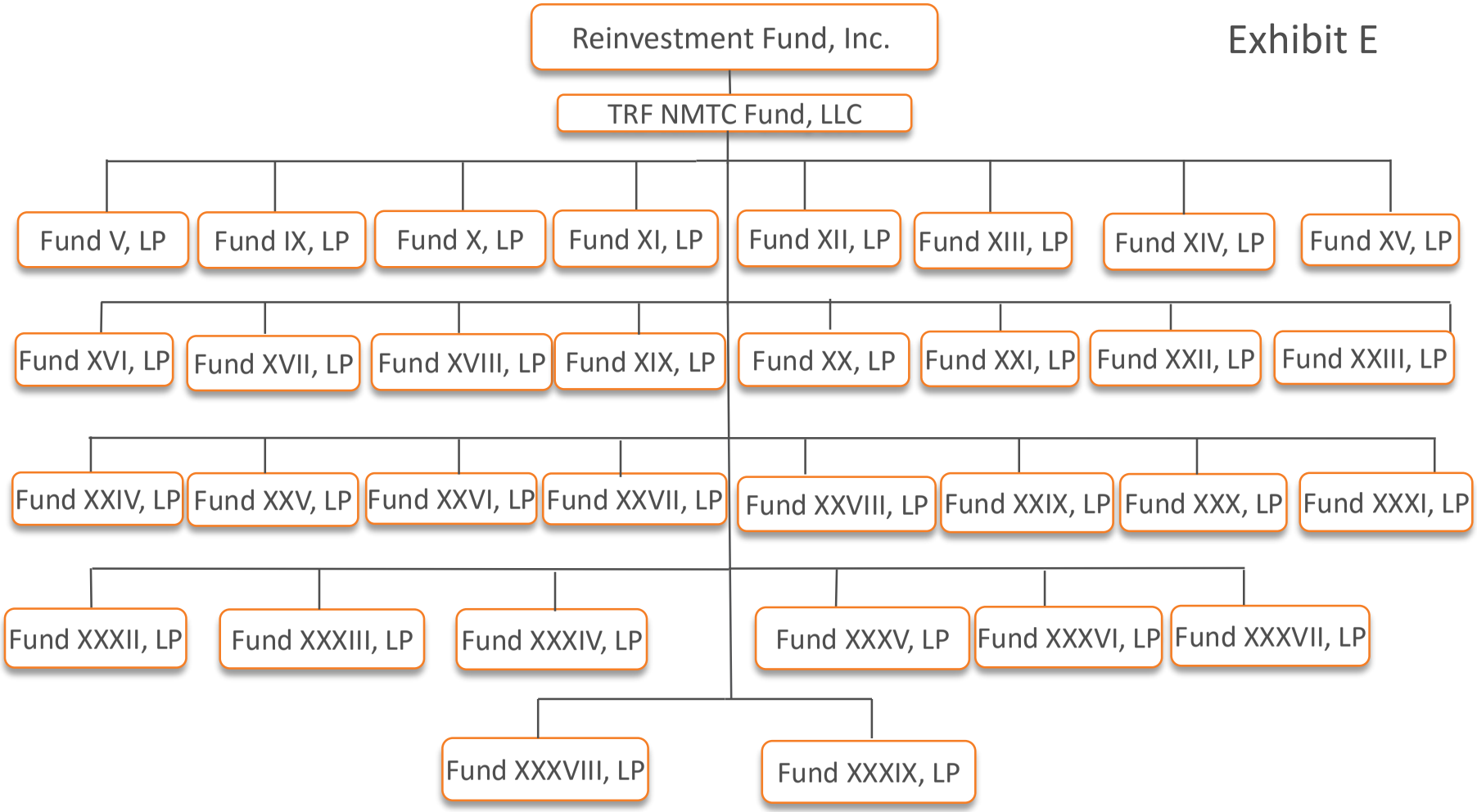
	Personnel	Occupancy	Professional Services	General & Administrative	Project Costs	Grants	Total
Program - Lending and Community Investing	$ 4,218,737	$ 522,110	$ 3,207,685	$ 211,629	$ -	$ 5,384,837	$ 13,544,998
Program - Sustainable Development Fund	-	-	2,128	-	-	-	2,128
Program - Policy Solutions	1,203,788	167,520	92,084	79,823	-	-	1,543,215
Program - PolicyMap	1,987,502	859,937	459,672	66,481	-	-	3,373,592
Program - Development Partners	1,429,304	1,454,881	602,360	119,565	75,000	-	3,681,110
Management and general	3,409,905	529,323	899,889	213,010	-	33,508	5,085,635
	$ 12,249,236	$ 3,533,771	$ 5,263,818	$ 690,508	$ 75,000	$ 5,418,345	$ 27,230,678

2015

	Personnel	Occupancy	Professional Services	General & Administrative	Project Costs	Grants	Total
Program - Lending and Community Investing	$ 3,544,615	$ 573,185	$ 1,297,639	$ 208,638	$ -	$ 2,903,370	$ 8,527,447
Program - Sustainable Development Fund	-	3,220	(2,422)	360	-	424,108	425,266
Program - Policy Solutions	1,001,733	178,370	175,281	89,604	-	-	1,444,988
Program - PolicyMap	1,339,096	940,586	639,283	78,676	-	-	2,997,641
Program - Development Partners	1,784,032	1,379,401	764,926	208,247	1,746,493	-	5,883,099
Management and general	3,169,264	485,841	675,528	335,393	-	-	4,666,026
	$ 10,838,740	$ 3,560,603	$ 3,550,235	$ 920,918	$ 1,746,493	$ 3,327,478	$ 23,944,467

TRF NMTC Holding Structure

Exhibit E



- All entities names are preceded by TRF NMTC
- As of 12/31/16

REINVESTMENT FUND

REINVESTMENT FUND

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