

Reinvestment Fund, Inc. and Affiliates
Consolidated Statement of Financial Position
December 31, 2017

	12/31/2017	12/31/2016 *	\$ Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	15,752,369	17,260,782	(1,508,413)	-8.7%
Grants and contributions receivable	655,423	14,318,374	(13,662,951)	-95.4%
Investments in marketable securities	18,954,913	22,976,696	(4,021,783)	-17.5%
Loans and leases	75,847,384	95,881,090	(20,033,706)	-20.9%
Allowance for losses	(3,792,370)	(5,152,387)	1,360,017	-26.4%
Other	3,819,124	3,524,901	294,223	8.3%
Restricted cash and cash equivalents	31,003,627	30,441,905	561,722	1.8%
	<u>142,240,470</u>	<u>179,251,361</u>	<u>(37,010,891)</u>	<u>-20.6%</u>
Noncurrent Assets				
Investments in marketable securities-Non Current	22,067,581	17,659,073	4,408,508	25.0%
Program investments	271,610	250,000	21,610	8.6%
Loans and leases	313,124,118	236,282,363	76,841,755	32.5%
Allowance for losses	(15,656,206)	(12,691,892)	(2,964,314)	23.4%
Investment in limited partnerships & LLC's	572,687	534,688	37,999	7.1%
Equipment, leasehold improvements and software, net	1,132,533	1,778,632	(646,099)	-36.3%
Other	315,173	582,238	(267,065)	-45.9%
	<u>321,827,496</u>	<u>244,395,102</u>	<u>77,432,394</u>	<u>31.7%</u>
Total Assets	<u>464,067,966</u>	<u>423,646,463</u>	<u>40,421,503</u>	<u>9.5%</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	2,078,311	2,479,705	(401,394)	-16.2%
Grants payable	100,000	-	100,000	100.0%
Escrow payable and due to third parties	3,883,262	4,181,690	(298,428)	-7.1%
Deferred revenue	688,027	812,483	(124,456)	-15.3%
Other	1,191,048	856,464	334,584	39.1%
Recoverable grants	5,195,800	6,043,681	(847,881)	-14.0%
Loans payable, current portion	33,880,040	37,212,965	(3,332,925)	-9.0%
	<u>47,016,488</u>	<u>51,586,988</u>	<u>(4,570,500)</u>	<u>-8.9%</u>
Noncurrent Liabilities				
Loans payable, less current maturities	227,588,233	176,910,563	50,677,670	28.6%
Loans payable, EQ2	18,708,000	18,708,000	-	0.0%
Escrow payable and due to third parties	465,215	464,286	929	0.2%
Other	9,002,245	9,111,803	(109,558)	-1.2%
	<u>255,763,693</u>	<u>205,194,652</u>	<u>50,569,041</u>	<u>24.6%</u>
Total Liabilities	<u>302,780,181</u>	<u>256,781,640</u>	<u>45,998,541</u>	<u>17.9%</u>
Commitments and Contingencies				
Net Assets				
Unrestricted	58,319,389	53,044,715	5,274,674	9.9%
Unrestricted - Contractually limited as to use	9,609,155	9,184,120	425,035	4.6%
Unrestricted - PolicyMap	(580,016)	118,850	(698,866)	0.0%
Total Unrestricted	<u>67,348,528</u>	<u>62,347,685</u>	<u>5,000,843</u>	<u>8.0%</u>
Temporarily restricted	43,810,536	54,392,788	(10,582,252)	-19.5%
Total Temporarily Restricted	<u>43,810,536</u>	<u>54,392,788</u>	<u>(10,582,252)</u>	<u>-19.5%</u>
Permanently restricted	50,128,721	50,124,350	4,371	0.0%
Total Net Assets	<u>161,287,785</u>	<u>166,864,823</u>	<u>(5,577,038)</u>	<u>-3.3%</u>
Total Liabilities and Net Assets	<u>464,067,966</u>	<u>423,646,463</u>	<u>40,421,503</u>	<u>9.5%</u>

* Excludes Development Partners

Reinvestment Fund, Inc. and Affiliates
Consolidated Statement of Activities
December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
FINANCIAL INCOME				
Interest income from:				
Investments	343,364	190,343	-	533,707
Loans and leases	18,806,497	527,019	-	19,333,516
Investment gains, net				
Marketable securities	-	72	-	72
Equity gains in limited partnerships	33,091	-	-	33,091
Loan and lease fees	1,279,778	-	-	1,279,778
Asset management fee	1,775,198	-	-	1,775,198
Total Financial Income	22,237,928	717,434	-	22,955,362
FINANCIAL EXPENSE				
Interest expense	7,995,170	-	-	7,995,170
Investment losses, net				
Marketable securities	147,111	28,312	-	175,423
Equity losses in limited partnerships	11,527	-	-	11,527
Provision for loan and lease losses	1,663,323	-	-	1,663,323
Total Financial Expense	9,817,131	28,312	-	9,845,443
Net Financial Income (Loss)	12,420,797	689,122	-	13,109,919
REVENUE AND SUPPORT				
Grants and contributions	7,758	8,159,096	59,222	8,226,076
Program services and fees	3,963,413	-	-	3,963,413
Other income	113,451	-	-	113,451
Net assets released from restriction	19,430,470	(19,430,470)	-	-
Total Revenue and Support	23,515,092	(11,271,374)	59,222	12,302,940
PROGRAM AND GENERAL EXPENSES AND OTHER DECREASES/(INCREASES)				
Program and General Expenses				
Program - Lending and Community Investing	20,913,980	-	-	20,913,980
Program - Policy Solutions	1,846,273	-	-	1,846,273
Program - PolicyMap	3,419,034	-	-	3,419,034
Management and general	4,755,759	-	-	4,755,759
Total Program and General Expenses	30,935,046	-	-	30,935,046
Other Decreases / (Increases)				
Charges related to revolving loan fund	-	-	54,851	54,851
Total Other Decreases	-	-	54,851	54,851
Total Expenses and Other Decreases	30,935,046	-	54,851	30,989,897
CHANGE IN NET ASSETS PAID IN CAPITAL	5,000,843	(10,582,252)	4,371	(5,577,038)
CHANGE IN NET ASSETS	-	-	-	-
CHANGE IN NET ASSETS	5,000,843	(10,582,252)	4,371	(5,577,038)
NET ASSETS - BEGINNING	62,347,685	54,392,788	50,124,350	166,864,823
NET ASSETS - ENDING	67,348,528	43,810,536	50,128,721	161,287,785

Reinvestment Fund, Inc. and Affiliates
Statement of Cash Flows
December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (5,577,038)
Adjustments to reconcile change in net assets before partners'	
Distribution to Net Cash Provided by (Used in) Operating Activities	
Provision for loan and lease losses	1,663,323
Net charges related to revolving loan fund	54,851
Depreciation expense	740,166
Deferred loan and lease fees, net	653,668
Investment (gain)/losses in marketable securities, net	175,351
(Increase) decrease in equity earnings in other limited partnerships, net	(21,564)
Non-cash grant support	(58,836)
(Increase) Decrease in:	
Grants and contributions receivable	13,662,951
Restricted cash and cash equivalents	(561,722)
Other assets	(1,741,562)
Increase (Decrease) in:	
Accounts payable and accrued expenses	(401,394)
Grants payable	100,000
Deferred revenue	(124,456)
Recoverable grant payable	(847,881)
Escrow payable and due to third parties	(297,499)
Other liabilities	225,026
Net Cash Provided by (Used in) Operating Activities	<u>7,643,384</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of marketable securities	(69,293,416)
Proceeds from maturities of marketable securities	68,731,340
Purchases of program investments	(21,610)
Purchase of other limited partnerships	(34,131)
Distributions from equity method investments	17,696
Cash disbursements on loans receivable	(147,873,657)
Cash receipts on loans receivable	81,006,002
Principal payments received under leases	129,764
Purchases of equipment, leasehold improvements and software	(94,067)
Net Cash Provided by (Used in) Investing Activities	<u>(67,432,079)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of notes payable	168,062,590
Payments on notes payable	(109,100,474)
Reinvested interest on investors payable	135,589
Change in debt issuance costs	(817,423)
Net Cash Provided by (Used in) Financing Activities	<u>58,280,282</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(1,508,413)
Cash and Cash Equivalents - Beginning	17,260,782
Cash and Cash Equivalents - Ending	<u>\$ 15,752,369</u>

Reinvestment Fund, Inc. and Affiliates
Consolidating Statement of Financial Position
201712 - December

	Reinvestment Fund (Consolidated)	RF Impact Advisers, Inc.	EFI	PolicyMap, Inc.	Eliminations & Reclassifications	Total
ASSETS						
Current Assets						
Cash and cash equivalents	15,536,442	36,480	54,061	125,386	-	15,752,369
Grants and contributions receivable	655,423	-	-	-	-	655,423
Investments in marketable securities	18,954,913	-	-	-	-	18,954,913
Accounts receivable - related parties	220,184	-	-	-	(220,184)	-
Loans and leases	76,211,269	-	5,657	-	(369,542)	75,847,384
Allowance for losses	(3,810,830)	-	(17)	-	18,477	(3,792,370)
Other	3,454,267	730	-	364,127	-	3,819,124
Restricted cash and cash equivalents	31,003,627	-	-	-	-	31,003,627
	<u>142,225,295</u>	<u>37,210</u>	<u>59,701</u>	<u>489,513</u>	<u>(571,249)</u>	<u>142,240,470</u>
Noncurrent Assets						
Investments in marketable securities-Non Current	22,067,581	-	-	-	-	22,067,581
Program investments	271,610	-	-	-	-	271,610
Loans and leases	313,061,147	-	62,971	-	-	313,124,118
Allowance for losses	(15,656,206)	-	-	-	-	(15,656,206)
Investment in limited partnerships & LLC's	572,687	-	-	-	-	572,687
Equipment, leasehold improvements and software, net	811,754	-	-	320,779	-	1,132,533
Investment in consolidated subsidiary & nonprofits	1,283,236	-	-	-	(1,283,236)	-
Other	300,603	-	-	14,570	-	315,173
	<u>322,712,412</u>	<u>-</u>	<u>62,971</u>	<u>335,349</u>	<u>(1,283,236)</u>	<u>321,827,496</u>
Total Assets	<u>464,937,707</u>	<u>37,210</u>	<u>122,672</u>	<u>824,862</u>	<u>(1,854,485)</u>	<u>464,067,966</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable and accrued expenses	1,934,266	-	4,880	139,165	-	2,078,311
Grants payable	100,000	-	-	-	-	100,000
Escrow payable and due to third parties	3,871,150	-	-	12,112	-	3,883,262
Accounts payable - related parties	-	-	-	220,184	(220,184)	-
Deferred revenue	6,509	-	-	681,518	-	688,027
Other	1,191,048	-	-	-	-	1,191,048
Recoverable grants	5,195,800	-	-	-	-	5,195,800
Loans payable, current portion	33,880,040	-	19,542	350,000	(369,542)	33,880,040
	<u>46,178,813</u>	<u>-</u>	<u>24,422</u>	<u>1,402,979</u>	<u>(589,726)</u>	<u>47,016,488</u>
Noncurrent Liabilities						
Loans payable, less current maturities	227,588,233	-	-	-	-	227,588,233
Loans payable, EQ2	18,708,000	-	-	-	-	18,708,000
Escrow payable and due to third parties	465,215	-	-	-	-	465,215
Other	9,000,346	-	-	1,899	-	9,002,245
	<u>255,761,794</u>	<u>-</u>	<u>-</u>	<u>1,899</u>	<u>-</u>	<u>255,763,693</u>
Total Liabilities	<u>301,940,607</u>	<u>-</u>	<u>24,422</u>	<u>1,404,878</u>	<u>(589,726)</u>	<u>302,780,181</u>
Commitments and Contingencies						
Paid in Capital	-	41,000	1,010,000	1,744,742	(2,795,742)	-
Earnings/(Deficit)	-	-	(911,750)	(2,324,758)	3,236,508	-
Net Assets						
Unrestricted	59,448,688	(3,790)	-	-	(1,705,525)	57,739,373
Unrestricted - Contractually limited as to use	9,609,155	-	-	-	-	9,609,155
Total Unrestricted	<u>69,057,843</u>	<u>37,210</u>	<u>98,250</u>	<u>(580,016)</u>	<u>(1,264,759)</u>	<u>67,348,528</u>
Temporarily restricted	43,810,536	-	-	-	-	43,810,536
Temporarily restricted - Contractually limited as to use	-	-	-	-	-	-
Total Temporarily Restricted	<u>43,810,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,810,536</u>
Permanently restricted	50,128,721	-	-	-	-	50,128,721
Total Net Assets	<u>162,997,100</u>	<u>37,210</u>	<u>98,250</u>	<u>(580,016)</u>	<u>(1,264,759)</u>	<u>161,287,785</u>
Total Liabilities and Net Assets	<u>464,937,707</u>	<u>37,210</u>	<u>122,672</u>	<u>824,862</u>	<u>(1,854,485)</u>	<u>464,067,966</u>

Reinvestment Fund Inc and Affiliates
Consolidating Statement of Activities
201712 - December

	Reinvestment Fund (Consolidated)	RF Impact Advisers, Inc.	EFI	PolicyMap, Inc.	Eliminations & Reclassifications	Total
FINANCIAL INCOME						
Interest income from:						
Investments	533,518	-	189	-	-	533,707
Loans and leases	19,328,078	-	6,388	-	(950)	19,333,516
Investment gains, net						
Marketable securities	72	-	-	-	-	72
Equity gains in limited partnerships	33,091	-	-	-	-	33,091
Loan and lease fees	1,279,778	-	-	-	-	1,279,778
Asset management fee	1,774,953	245	-	-	-	1,775,198
Total Financial Income	<u>22,949,490</u>	<u>245</u>	<u>6,577</u>	<u>-</u>	<u>(950)</u>	<u>22,955,362</u>
FINANCIAL EXPENSE						
Interest expense	7,995,170	-	950	-	(950)	7,995,170
Investment losses, net						
Marketable securities	175,423	-	-	-	-	175,423
Equity losses in limited partnerships	11,527	-	-	-	-	11,527
Equity losses in consolidated subsidiaries	67,764	-	-	-	(67,764)	-
Provision for loan and lease losses	1,674,798	-	-	-	(11,475)	1,663,323
Total Financial Expense	<u>9,924,682</u>	<u>-</u>	<u>950</u>	<u>-</u>	<u>(80,189)</u>	<u>9,845,443</u>
Net Financial Income (Loss)	<u>13,024,808</u>	<u>245</u>	<u>5,627</u>	<u>-</u>	<u>79,239</u>	<u>13,109,919</u>
REVENUE AND SUPPORT						
Grants and contributions	8,226,076	-	-	-	-	8,226,076
Program services and fees	3,449,668	-	-	545,812	(32,067)	3,963,413
Other income	113,451	-	-	-	-	113,451
Total Revenue and Support	<u>11,789,195</u>	<u>-</u>	<u>-</u>	<u>545,812</u>	<u>(32,067)</u>	<u>12,302,940</u>
PROGRAM AND GENERAL EXPENSES AND OTHER DECREASES						
Program and General Expenses						
Program - Lending and Community Investing	20,900,443	4,035	4,938	-	4,564	20,913,980
Program - Policy Solutions	1,844,750	-	212	-	1,311	1,846,273
Program - PolicyMap	2,840,189	-	-	608,912	(30,067)	3,419,034
Management and general	4,760,032	-	3,602	-	(7,875)	4,755,759
Total Program and General Expenses	<u>30,345,414</u>	<u>4,035</u>	<u>8,752</u>	<u>608,912</u>	<u>(32,067)</u>	<u>30,935,046</u>
Other Decreases / (Increases)						
Charges related to revolving loan fund	54,851	-	-	-	-	54,851
Forgiveness of debt from related parties	-	-	17	-	(17)	-
Total Other Decreases	<u>54,851</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>(17)</u>	<u>54,851</u>
Total Expenses and Other Decreases	<u>30,400,265</u>	<u>4,035</u>	<u>8,769</u>	<u>608,912</u>	<u>(32,084)</u>	<u>30,989,897</u>
NET INCOME (LOSS)	-	-	(3,142)	(63,100)	66,242	-
CHANGE IN NET ASSETS	(5,586,262)	(3,790)	-	-	13,014	(5,577,038)
PAID IN CAPITAL	811,416	41,000	-	(516,916)	(335,500)	-
CHANGE IN NET ASSETS	(4,774,846)	37,210	(3,142)	(580,016)	(256,244)	(5,577,038)
NET ASSETS - BEGINNING	167,771,946	-	101,392	-	(1,008,515)	166,864,823
NET ASSETS - ENDING	<u>162,997,100</u>	<u>37,210</u>	<u>98,250</u>	<u>(580,016)</u>	<u>(1,264,759)</u>	<u>161,287,785</u>