



**Mission Driven.**  
**People Focused.**  
**Community Inspired.**  
**2016 Annual Report**



# Finance Fund

Founded in 1987, Finance Fund is a statewide nonprofit community development entity (CDE) that connects Ohio's underserved communities with public and private sources of capital. Through the New Markets Tax Credits program, Finance Fund makes capital available to economic development projects and businesses serving Ohio's disadvantaged communities. Finance Fund provides a Linked Deposit Fund, and awards predevelopment grants and economic development grants to community-based nonprofit organizations.



# Finance Fund

## Capital Corporation

Finance Fund Capital Corporation (FCAP) is a certified nonprofit community development financial institution (CDFI) that forms public-private partnerships with financial institutions, investors, charitable foundations, community organizations and federal, state and local governments to provide flexible financing that supports economic development and job creation in low- to moderate-income communities. FCAP's borrowers include community-based nonprofit organizations and for-profit businesses.



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Finance Fund thanks our 2016 Annual Report  
Sponsor Rea & Associates. [www.reacpa.com](http://www.reacpa.com)

# From the President and CEO and Board Chair

Dear Friends:

As we write this letter, it astonishes us how quickly Diana's first year as President and CEO of Finance Fund and Finance Fund Capital Corporation (FCAP) has passed.

Through a year of transition, both companies made significant progress and our 2016 accomplishments can be summed up by our core principles.

We hope that you enjoy learning about our highlighted projects reflecting those principles:

- **Mission Driven.** – Nothing Into Something Real Estate, Inc., Columbus, OH
- **People Focused.** – United Rehabilitation Services of Greater Dayton, Dayton, OH
- **Community Inspired.** – Campbell's Market, McArthur, OH

After finishing strong in 2016, we continue to strive toward our vision of empowering Ohio's low-income communities. We will be working to extend our performance in areas where results are already successful, while diligently addressing those aspects in which we see the greatest opportunities for improvement. With your continued partnership and support, we look forward to new initiatives in 2017 to help build bridges between resources and distressed communities and neighborhoods across Ohio.

Sincerely,



**Diana Turoff**  
President and CEO



**D. R. Gossett**  
Executive Director  
Ironton & Lawrence County CAO  
Chair, Finance Fund and  
FCAP Board of Directors

## Core Principles:

- **Mission Driven.** In 2016, Finance Fund received its largest New Markets Tax Credit award of \$65 million. With this allocation, we continue to invest in projects that support our state's most distressed communities with over 20% of our allocation reserved for non-metro areas. Through our investments and partnerships, we are improving the quality of life in Ohio's low-income communities by stimulating economies and creating jobs.
- **People Focused.** FCAP received an SBA Prime grant that provides business and financial literacy, technical assistance and entrepreneurial training for recently incarcerated individuals. FCAP is partnering with CleanTurn Enterprises to provide training in prisons throughout the state in addition to disadvantaged entrepreneurs in the distressed Columbus neighborhood of Franklinton.
- **Community Inspired.** Launched in March 2016, FCAP's Healthy Food for Ohio (HFFO) program is Ohio's first-ever, statewide, healthy food financing program. HFFO provides flexible financing to eligible rural and urban healthy food projects expanding or located in underserved communities. In 2016, HFFO financed six healthy food projects providing more than 35,000 Ohio residents with fresh, affordable food.



*"Our mission in creating Cargominiums is to provide a private solution to a public problem. We take nothing (used shipping containers) and turn them into something (homes for the homeless). This reflects the way we approach counseling and services to homeless men and women whom many people consider 'nothing.' We help them turn their lives into 'something' worthwhile."*

**-Michelle Reynolds, CEO, NISRE**



**Mission Driven.**

# Nothing Into Something Real Estate, Inc.

Columbus, Ohio

## Mission driven to turn nothing into something

Nothing Into Something Real Estate, Inc. (NISRE) is a faith-based nonprofit organization that provides housing solutions and supportive services for individuals, including those who were formerly incarcerated. This organization is passionate about helping ex-offenders in Ohio rebuild their lives and re-integrate into the community upon their release from prison.

**Finance Fund Capital Corporation (FCAP) provided NISRE with a \$700,000 small business loan to build a 25-unit housing complex out of recycled steel shipping containers in Columbus.** This complex, "Cargominiums", is the first development in Ohio to use shipping containers for residential housing. The complex provides affordable housing that is ecofriendly and sustainable. The Cargominium project retains 3 existing jobs and is creating 3 new jobs and 5 construction jobs for local residents.

Expected to be completed by late spring 2017, each Cargominium unit measures 640 sq. ft. and has two bedrooms. The frame is made of 100% recycled steel. Furnished with hardwood floors and the most energy-efficient appliances and products available, this project provides safe and comfortable short-term housing.

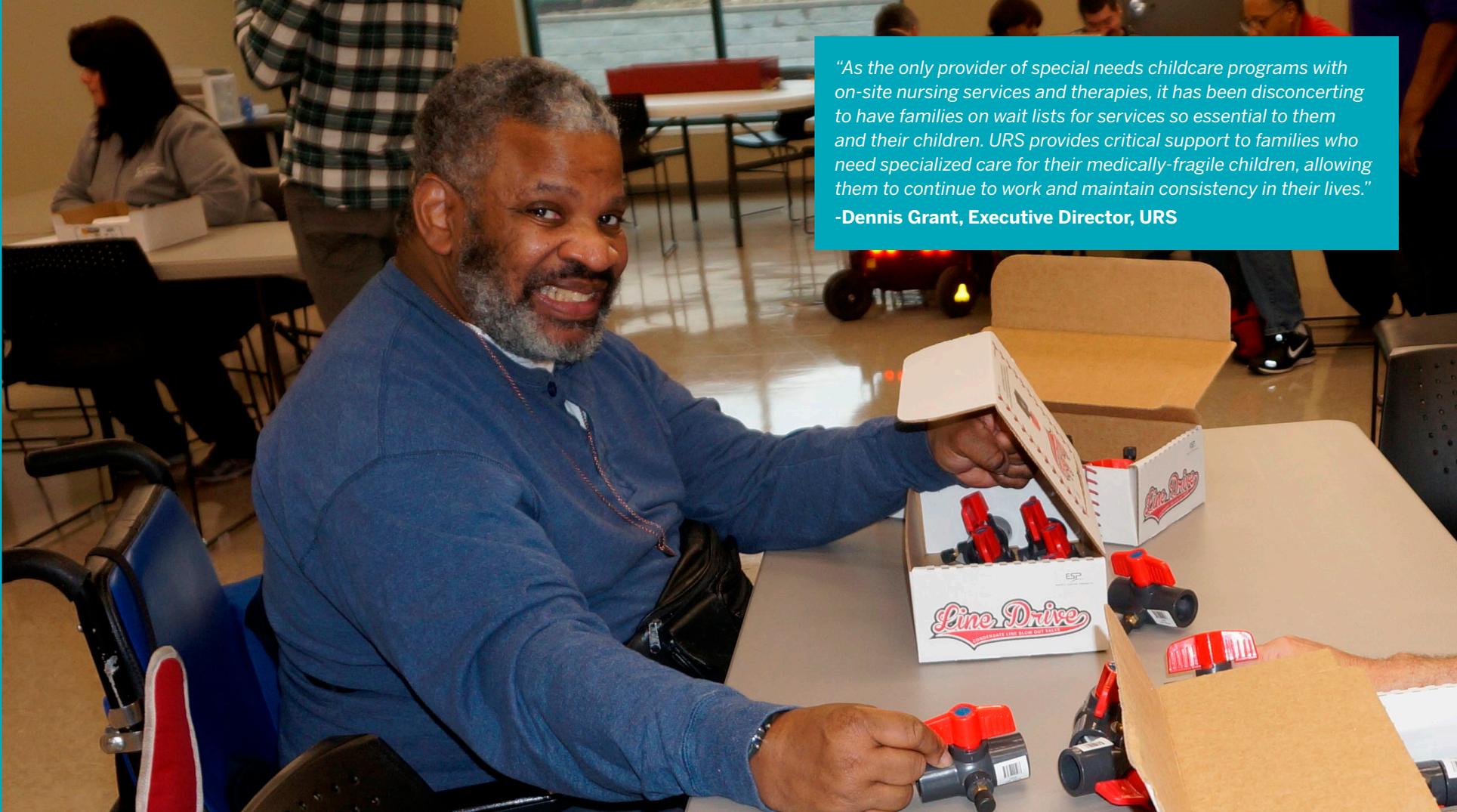
Guided by their core values of empowerment, accountability and transformation, NISRE is helping to reduce the likelihood that ex-offenders will return to prison.



**NISRE, Inc.'s** for-profit division, M2 Social Enterprises Corporation, develops businesses to create employment opportunities for individuals served under the NISRE, Inc. family of companies. Their businesses include:

- Coffee Crafters, LLC- an innovative social enterprise initiative of NISRE, Inc. This social enterprise provides comprehensive coffee services to businesses, non-profits, government offices, educational institutions and individuals across Ohio as well as Barista training to inmates at Marion Correctional Institution and the Ohio Reformatory for Women.
- The Destiny Center- a small business development center that provides coaching, training, affordable office space, and event rental opportunities. The Center helps the disadvantaged and minority populations start a business with the means, resources and support needed.
- Cargominiums- development of twenty five affordable residential two bedroom condominiums made out of shipping containers, created for seniors, restored citizens, chronically homeless adults, and transition aged youth.





*"As the only provider of special needs childcare programs with on-site nursing services and therapies, it has been disconcerting to have families on wait lists for services so essential to them and their children. URS provides critical support to families who need specialized care for their medically-fragile children, allowing them to continue to work and maintain consistency in their lives."*

**-Dennis Grant, Executive Director, URS**

**People Focused.**

# United Rehabilitation Services of Greater Dayton

Dayton, Ohio

## **New Markets Tax Credit enables a people focused expansion for Greater Dayton**

For over 60 years, United Rehabilitation Services (URS) of Greater Dayton has provided care to individuals with disabilities, from infancy through senior years. With tremendous growth and rising wait lists since early 2014, URS was determined to focus on the needs of those they were unable to serve due to lack of space. As a result, they began to look for ways to expand capacity.

**A \$5.5 million New Markets Tax Credit allocation from Finance Fund enabled URS to double the size of its facility and significantly increase the capacity to provide specialized programs for children, adults and seniors with developmental and acquired disabilities.** Completed in early 2017, the project includes construction of a 21,647 sq. ft. Children's Wing and other facility enhancements, creating 14 permanent jobs, 75 construction jobs and retaining 80 permanent jobs.

The new Children's Wing will add capacity for 60 additional children, tripling the number of infants, from 5 to 16, doubling the number of toddlers from 8 to 16, and increasing the number of preschoolers from 20 children to 34. The construction also includes a new gymnasium/multipurpose community room, meditation room, vocational training laundry center, as well as an expansion of the Nursing Clinic and youth and adult services programs. Through enhanced space and collaboration with Samaritan Behavioral Health, URS will offer on-site counseling, intensive classroom behavior management programs and a meditation room for clients of all ages. Capacity for Adult and Senior programs will increase by 100 clients.



## **URS' array of services includes:**

- 5-Star Rated Early Childhood Education and School-Age Programs for children ages 6 weeks to 17 years
- On-site Nursing Services for medically fragile children
- Behavioral Health Services, Day-Habilitation Programs for adults and seniors
- Vocational Training, Recovery Services, Community Employment
- Home-Based Care and Respite Services for individuals with developmental and acquired disabilities
- Specialized Therapy Services with on-site Physical, Occupational and Speech Therapies
- The Region's only Pediatric Aquatic Therapy Program and Universal Exercise Unit



"Financing for Campbell's Market in McArthur wouldn't have been possible without the coordination of federal, state and private funding through the Healthy Food for Ohio program and Finance Fund Capital Corporation. Everyone brought something to the table in order to recruit an outstanding local grocer in Rick Campbell, and I have been pleased to work with Rep. Ryan Smith and local officials on the shared goal of bringing back fresh food and jobs critical to the health and prosperity of rural Vinton County."

**-Congressman Steve Stivers**



**Community Inspired.**

# Campbell's Market

McArthur, Ohio

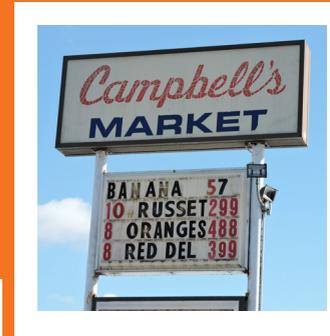
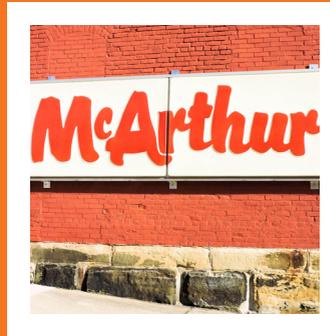
## Healthy Food for Ohio funds community inspired grocery store in Vinton County

Vinton County has been without a full service grocery store since SuperValu closed in 2013. Many people have been traveling about 30 minutes from McArthur to shop at stores in Athens, Chillicothe, Logan, Jackson or Wellston.

**Through its Healthy Food for Ohio (HFFO) program, Finance Fund Capital Corporation (FCAP) provided Campbell's Market with flexible capital of nearly \$1.6 million to build a 12,000 sq. ft. grocery store in McArthur.** After three years of diligent efforts and cooperation among FCAP and city, county, state and U.S. elected officials and representatives, the residents of rural Vinton County can look forward to buying fresh food at their own local grocery. With a groundbreaking in the spring, Campbell's Market in McArthur is expected to open to the community in late summer, 2017.

*"Each of FCAP's Healthy Food for Ohio projects is special, but Campbell's Market is particularly significant due to the tremendous, concerted effort behind this project's realization. Campbell's Market represents what HFFO is all about providing funding to help fresh food retailers open or expand operations in disadvantaged and underserved rural and urban areas. It is a great example of what's possible when highly committed people mobilize to overcome obstacles and realize a shared vision for a healthier community,"* said Diana Turoff, FCAP President and CEO.

The Campbell family has been in the grocery business for more than 85 years. Rick Campbell, proprietor, has over 40 years of experience owning and managing two other rural grocery stores: Campbell's Foodland in Zanesville, OH and Campbell's Market in Duncan Falls, OH. Similar to those stores, McArthur's Campbell's Market will offer fresh produce, meats, dairy, frozen and shelf stable items, creating 15 full-time and 15 part-time jobs for local residents.



*"The options that we have left in Vinton County are two dollar stores that carry packaged lunch meats and canned goods. In 2016 alone, I have had to travel 107,555 miles to buy fresh food and I have delivered 10,491 meals to those in need."*

**-Rhoda Price, Executive Director, Vinton County Senior Citizens, McArthur, OH**



Left to right: Michael Bledsoe, Vinton County Commissioner, Ohio House Finance Chairman, Ryan Smith (R-Bidwell), U.S. Congressman Steve Stivers, Diana Turoff, President and CEO, FCAP, Richard Campbell, Proprietor, Rick Campbell, Proprietor, Ohio Senate President Tempore Bob Peterson (R-Sabina), Caroline Harries, Associate Director, The Food Trust, Tim Eberts, Vinton County Commissioner

# Report to the Community

FY1987–FY2016

## Finance Fund and Finance Fund Capital Corporation (FCAP) Product Outcomes through FY2016

Since 1987, **Finance Fund** and its affiliates have invested more than **\$354MM** in housing, economic development and community facility projects leveraging over **\$1.4B**. This investment was accomplished through **3,043 awards** to nonprofit organizations and for-profit businesses throughout the state. Our partnerships have enabled low-and moderate-income people access to **27,671 direct jobs** and **16,390 units of affordable housing** and created **3,079 early care and education classrooms** for **71,947 children**.

Since 2006, **FCAP** has leveraged **\$92MM** on an investment of **\$38MM** to **74 borrowers**. FCAP has financed **201 housing units**, created **773,566 sq. ft. of commercial space** and helped provide services to **9,653 patients**. In addition, our partnerships have helped create and/or retain **3,261 direct jobs**.

FCAP is the home for our small business, community facilities and healthy food financing activities. FCAP's financing products are targeted to small businesses and developing community facilities in rural and urban communities throughout Ohio.

The **Healthy Food for Ohio (HFFO)** program launched in March of 2016 and is Ohio's first-ever statewide healthy food financing program, providing flexible financing to eligible rural and urban healthy food retail projects in underserved areas throughout the state. To date, HFFO has leveraged over **\$3MM** on an investment of **\$2.5MM** for **6 healthy food projects**. Together, these projects provide **35,478 Ohio residents with fresh, affordable food**. They are creating an estimated **167 direct jobs** as well as creating or expanding over **67,930 sq. ft. of retail space**.

The **Small Business Loan Fund (SBLF)** provided flexible financing for **60 small businesses** unable to get a loan in the conventional market totaling **\$31MM**. This investment has leveraged **\$81MM**. The SBLF offers loans to support small business growth and job creation in Ohio's underserved communities. The SBLF has created **510,633 sq. ft. of commercial space** and created **2,717 direct jobs**.

The **Community Health Loan Fund (CHLF)** was established in 2013 to provide flexible financing for eligible health and wellness-related projects serving low- to moderate-income populations. CHLF provided flexible financing for **9 projects** totaling **\$4MM** and has leveraged **\$7MM**. CHLF created health care access for **9,449 disadvantaged people**, **188,503 sq. ft. of health care space** and **377 direct jobs**.

# Statements of Financial Position

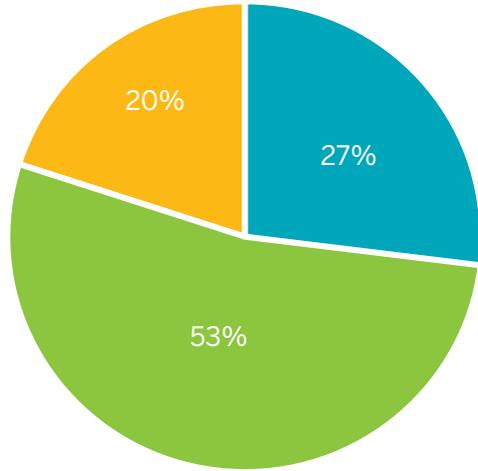
(as of 12/31/16)

<b>ASSETS</b>	<b>FINANCE FUND</b>	<b>FCAP</b>	<b>LIABILITIES AND NET ASSETS</b>	<b>FINANCE FUND</b>	<b>FCAP</b>
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and cash equivalents	\$ 9,368,829	\$ 7,754,403	Accounts payable and accrued expenses	\$ 212,206	\$ 2,772,548
Receivables:	\$ 5,794,378	\$ 6,211,401	Deferred revenue	\$ 693,071	\$ -
Investments in marketable securities	\$ 6,277,522	\$ -	Current portion of loans payable	\$ 479,586	\$ 334,772
Certificates of deposit	\$ 4,105,777	\$ -		<u>\$ 1,384,863</u>	<u>\$ 3,107,320</u>
	<u>\$ 25,546,506</u>	<u>\$ 13,965,804</u>	<b>Long-Term Liabilities</b>		
<b>Other Assets</b>			Accrued lease expense	\$ 68,697	\$ -
Notes receivable, net of current portion	\$ 468,638	\$ 11,182,601	Loans payable, net of current portion	\$ 2,046,719	\$ 11,950,006
Other long-term assets	\$ 200,000	\$ -	Related party payables	\$ -	\$ 3,526,600
	<u>\$ 668,638</u>	<u>\$ 11,182,601</u>		<u>\$ 2,115,416</u>	<u>\$ 15,476,606</u>
<b>Total Assets</b>	<b>\$ 26,215,144</b>	<b>\$ 25,148,405</b>	Total Liabilities	\$ 3,500,279	\$ 18,583,926
			<b>Net Assets</b>		
			Unrestricted	\$ 18,143,328	\$ 6,564,479
			Temporarily restricted	\$ 4,571,537	\$ -
				<u>\$ 22,714,865</u>	<u>\$ 6,564,479</u>
			<b>Total Liabilities and Net Assets</b>	<b>\$ 26,215,144</b>	<b>\$ 25,148,405</b>

\* Does not include subsidiary information

# Activities

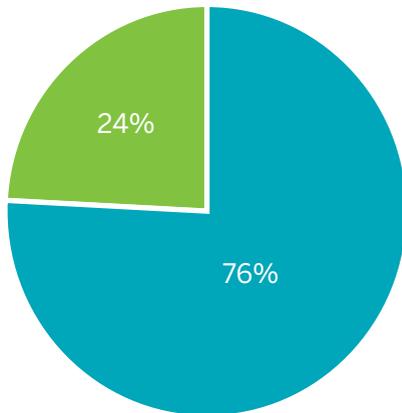
## Finance Fund



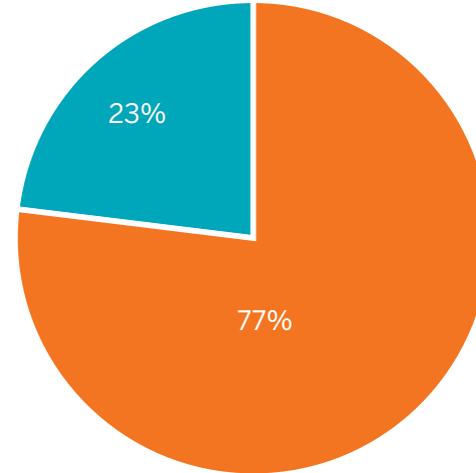
**Other Revenue** \$1,078,643  
**NMTC Revenue** \$2,902,768  
**Grant Revenue** \$1,450,000

**Program Services Expense** \$3,226,067

**General and Administrative Expense** \$1,017,981



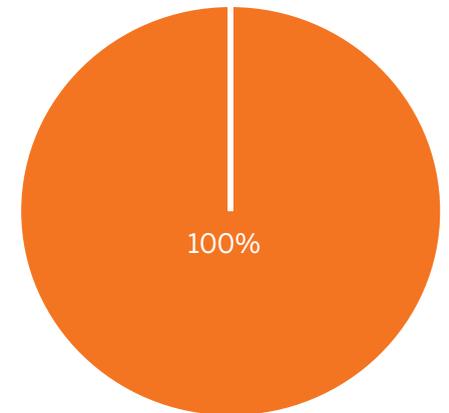
## Finance Fund Capital Corporation



**Other Revenue** \$1,358,512  
**Grant Revenue** \$4,497,089

**Program Services Expense** \$4,248,882

**General and Administrative Expense** \$16,551



# Additional Financial Information

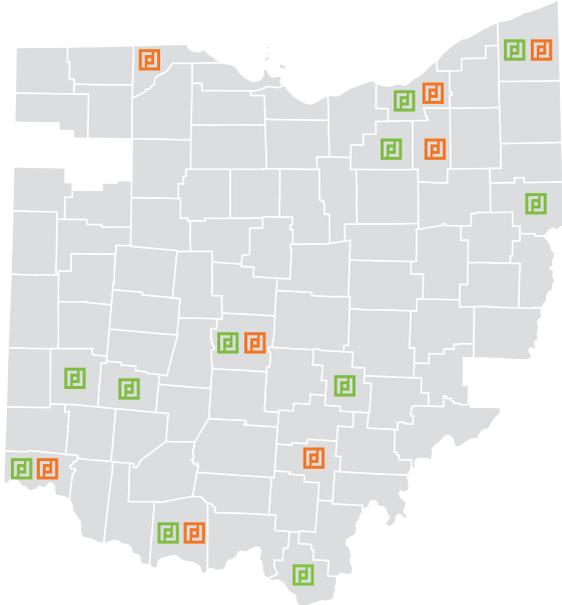
## 2016 Lending

NMTC Loans	\$16,005,000
FCAP Loans	\$10,028,401
<b>TOTAL:</b>	<b>\$26,033,401</b>

## NMTC Entities

Total Assets of Managed NMTC Entities	\$237,000,000
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## 2016 Financing by County



Finance Fund	FCAP
Adams	Adams
Ashtabula	Ashtabula
Columbiana	Cuyahoga
Cuyahoga	Franklin
Franklin	Hamilton
Greene	Lucas
Hamilton	Summit
Lawrence	Vinton
Medina	
Montgomery	
Perry	

\* Gray Counties - Historically funded projects

# Sponsors

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PNC Bank

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Ross, Sinclair & Associates, LLC

Singerman, Mills, Desberg & Kauntz Co. L.P.A.

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Toledo Lucas County Port Authority

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To discover more about Finance Fund and FCAP, and how we leverage public and private funding to drive economic development in low- to moderate-income communities throughout Ohio visit: [www.financefund.org](http://www.financefund.org). We invite you to follow our blog and connect with us on Facebook, Twitter and LinkedIn.   



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