

**NATIONAL COUNCIL ON AGRICULTURAL LIFE
AND LABOR RESEARCH, INC. LOAN FUND**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
NOTES TO FINANCIAL STATEMENTS	5 - 12

INDEPENDENT AUDITORS' REPORT

Barbacane, Thornton & Company LLP
200 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810

T 302.478.8940
F 302.468.4001
www.btcpa.com

January 20, 2011

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.
Dover, Delaware

We have audited the accompanying statement of financial position of the National Council on Agricultural Life and Labor (NCALL) Research, Inc. Loan Fund, a nonprofit organization, as of September 30, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our report dated December 22, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the NCALL Research, Inc. Loan Fund as of September 30, 2010 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,822,107	\$ 1,503,529
Accounts receivable	-	10,250
Interest receivable	892	1,784
Loans receivable	480,878	1,530,486
Allowance for uncollectible accounts (see Note 4)	(315,000)	(315,000)
Foreclosed real estate held for resale	150,000	150,000
Allowance for loss on foreclosed real estate held for resale	(100,000)	(75,000)
Total Current Assets	<u>2,038,877</u>	<u>2,806,049</u>
NONCURRENT ASSETS:		
Property and equipment	12,000	12,000
Less: Accumulated depreciation	(8,083)	(5,683)
Investments - restricted	-	375,000
Loans receivable - noncurrent	2,661,525	2,754,110
Total Noncurrent Assets	<u>2,665,442</u>	<u>3,135,427</u>
TOTAL ASSETS	<u><u>\$ 4,704,319</u></u>	<u><u>\$ 5,941,476</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 66,034	\$ 90,681
Deferred revenue	8,783	17,766
Line of credit	-	1,275,000
Accrued interest	3,125	-
Total Current Liabilities	<u>77,942</u>	<u>1,383,447</u>
NONCURRENT LIABILITIES:		
Notes payable	2,150,000	2,150,000
Total Noncurrent Liabilities	<u>2,150,000</u>	<u>2,150,000</u>
TOTAL LIABILITIES	<u>2,227,942</u>	<u>3,533,447</u>
NET ASSETS:		
Unrestricted	1,463,495	1,507,605
Permanently restricted	1,012,882	900,424
TOTAL NET ASSETS	<u>2,476,377</u>	<u>2,408,029</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,704,319</u></u>	<u><u>\$ 5,941,476</u></u>

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

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(With Summarized Totals for 2009)

	Unrestricted	Permanently Restricted	Totals	
			2010	2009
REVENUE:				
Capital grant - Neighborhood Reinvestment	\$ -	\$ 225,000	\$ 225,000	\$ 200,000
Expendable grant - Neighborhood Reinvestment	50,000	-	50,000	45,000
Contributions	50,000	-	50,000	70,000
Interest - investments	10,056	-	10,056	21,394
Interest - loans	160,105	-	160,105	175,798
Fee income	17,521	-	17,521	40,246
Net assets released from restriction	112,542	(112,542)	-	-
TOTAL REVENUE	400,224	112,458	512,682	552,438
EXPENSES:				
Program services:				
Accounting and audit fees	10,000	-	10,000	10,000
Bad debt expense (see Note 3)	75,000	-	75,000	95,000
Consultant fees	15,890	-	15,890	9,500
Consumables	191	-	191	184
Depreciation	2,400	-	2,400	2,400
Dues, registration and training	1,544	-	1,544	1,516
Equipment and maintenance	1,156	-	1,156	-
Insurance	8,100	-	8,100	-
Interest expense	58,529	-	58,529	72,436
Internet and technical services	5,897	-	5,897	5,511
Legal expenses	6,652	-	6,652	1,243
Loan participation fees	24,476	-	24,476	8,369
Occupancy	7,200	-	7,200	7,050
Printing and postage	499	-	499	354
Property taxes and maintenance	596	-	596	1,335
Publications	155	-	155	115
Salaries and benefits	166,278	-	166,278	158,404
Telephone	203	-	203	964
Travel and per diem	460	-	460	773
Total Program Services	385,226	-	385,226	375,154
Management and general	59,108	-	59,108	44,428
TOTAL EXPENSES	444,334	-	444,334	419,582
CHANGE IN NET ASSETS	(44,110)	112,458	68,348	132,856
NET ASSETS, BEGINNING OF YEAR	1,507,605	900,424	2,408,029	2,275,173
NET ASSETS, END OF YEAR	\$ 1,463,495	\$ 1,012,882	\$ 2,476,377	\$ 2,408,029

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

**NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 68,348	\$ 132,856
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,400	2,400
Bad debt expense	75,000	95,000
Decrease (Increase) in accounts receivable	10,250	(437)
Decrease in interest receivable	892	4,043
Decrease (Increase) in loans receivable	1,092,193	(1,228,379)
(Decrease) Increase in accounts payable	(24,647)	88,535
Increase in accrued interest	3,125	-
(Decrease) in deferred revenue	(8,983)	(92,673)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,218,578	(998,655)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	375,000	42,467
NET CASH PROVIDED BY INVESTING ACTIVITIES	375,000	42,467
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	-	925,000
Repayment of long-term debt	(1,275,000)	(150,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(1,275,000)	775,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	318,578	(181,188)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,503,529	1,684,717
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,822,107	\$ 1,503,529
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 55,404	\$ 72,436
Taxes paid	\$ -	\$ -

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

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ENTITY DESCRIPTION

The Loan Fund operates as a line of business within the National Council on Agricultural Life and Labor ("NCALL") Research, Inc.

NCALL Research, Inc. was organized in 1955 as a nonprofit corporation and has been providing rural housing technical assistance since 1976. NCALL Research, Inc. competes for funding in the form of contracts and grants from the federal, state and private sectors when it is available. The mission of the Organization is:

"To promote affordable housing and improved communities for low and moderate income people primarily in rural areas. To that end, we seek to:

- Provide training, technical assistance and support to organizations to enhance their capacity.
- Encourage, support and educate people to obtain and preserve decent, affordable housing.
- Provide innovative and flexible financing and services targeted to affordable housing and community development efforts to enhance borrower capacity to better serve low and moderate income communities.
- Increase public awareness about successful community housing efforts and the need to improve housing conditions.
- Formulate and advocate improved public policy."

The mission of NCALL Research, Inc.'s Loan Fund is to provide financing to qualified borrowers for affordable housing and community development efforts primarily in the Delmarva region. The loans provided by NCALL foster the growth and overall financial strength of the borrower while resulting in significant community development impact.

NCALL Research, Inc. is governed by a 15-member Board of Directors from the Organization's service area.

NCALL Research, Inc. was chartered as a NeighborWorks Organization ("NWA") in 2003. The affiliation with NWA requires ongoing reporting and regular management reviews. NCALL was again rated "Exemplary" in 2010. It also provides opportunities for grant and capital funding, along with training slots for NWA's training institutes. NCALL Research, Inc. is one of only two organizations within Delaware with the NeighborWorks designation.

NCALL Research, Inc. was certified as a Community Development Financial Institution ("CDFI") during fiscal year 2005 by the U.S. Department of Treasury. As of September 30, 2010, this certification was in good standing.

As a CDFI, NCALL Research, Inc. chose to participate in the Comprehensive Ratings for CDFI Investments ("CARS") review and rating process during 2010. The process was a positive experience and yielded a substantial report and rating of AA+2 for impact performance, financial strength and policy work.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ENTITY DESCRIPTION (cont'd)

NCALL Research, Inc.'s Board of Directors undertook strategic planning during fiscal year 2010 yielding a three-year plan for the Organization for fiscal years 2011-2013.

Business Operations of the Loan Fund

The standard business operations of the Loan Fund are described in its business plan, loan policies and related documents. Included are descriptions of target areas for the Fund, its customer base, summary of loan products and its capitalization policy.

Management and Operations

NCALL Research, Inc.'s Board of Directors delegates the oversight authority of the Loan Fund to its Loan Fund Committee. The decision-making process, underwriting, risk rating and capitalization operations are described in the loan policies that are reviewed and updated regularly. The loan policies were updated and reconfirmed in February 2010.

NCALL Research, Inc.'s Loan Fund has an extensive review process that combines loan origination by staff; daily oversight of this function through its Executive Director, Loan Fund Director and Loan Fund Manager; and the overall review and approval process at the Loan Committee level. A committee of six NCALL Research, Inc.'s board members oversees the Loan Fund and is responsible for policies and the approval process. Experienced legal counsel has been retained to develop and review loan documents.

The Loan Fund representatives at the Committee and staff level adhere to a disclosure and conflict-of-interest policy in the event a customer or loan request comes in where there may be involvement with a Loan Fund Committee member.

The Loan Fund procedures define a process that reviews and monitors the pre-closing requirements for each loan. In the master loan file, any monitoring issues above and beyond the standard portfolio requirements are highlighted. The loan documents contain the standard language regarding timely payments and collections procedures.

The Loan Fund has an aggressive collections procedure in place to maintain the overall credit quality of the NCALL Research, Inc. portfolio.

The risk rating for each loan, after its initial approval, is reviewed no less than once a year.

Products of the Loan Fund

The Loan Fund defines its customer base as qualified nonprofits that have a primary mission of affordable housing and/or community development. The resources from the Loan Fund will, for the most part, be expected to assist customer organizations in accomplishing their housing projects. However, the Loan Fund also will consider financial products that support the overall operations of the nonprofit sector.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ENTITY DESCRIPTION (cont'd)

The Loan Fund's current products are predevelopment and working capital loans, site development and acquisition loans, gap and bridge financing on multifamily projects, loan guarantees and community-based facility loans. Each of these products fills a clear financing need that is not readily available from other sources. Each product helps to develop or preserve housing for low and very low-income households.

Capitalization

The Loan Fund has a capitalization strategy, more fully described in its loan policy, that guides the Fund through its relationships with investors and participating lenders. There are five primary ways the Loan Fund raises capital, including fees (loan servicing, interest, etc.), grants, debt and participation loans to other lenders, and special fees (e.g. tax credits). Through its operations, regular financial and compliance reports are generated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

In accordance with the section of the Financial Standards Accounting Board's Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, the Loan Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Loan Fund is required to present a statement of cash flows.

Contributions

In accordance with the FASB ASC section regarding accounting for contributions received and contributions made, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Recognition of 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 a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Loan Fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Loans Receivable

Loans receivable represent funds advanced to qualified nonprofit organizations that have a primary mission of affordable housing and/or community development. Loans are stated at unpaid principal balances less an allowance for uncollectible accounts. The allowance for

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

uncollectible accounts is estimated to be five percent of the outstanding loan balance plus any amounts known to be uncollectible. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. Loan security is outlined in the promissory notes.

Foreclosed Real Estate

Foreclosed real estate includes both formally foreclosed property and in-substance foreclosed property. In-substance foreclosed properties are those properties for which the institution has taken physical possession, regardless of whether formal foreclosure proceedings have taken place.

At the time of foreclosure, foreclosed real estate is recorded at the fair value less cost to sell, which becomes the property's new basis. Any write-downs based on the asset's fair value at date of acquisition are charged to the allowance for uncollectible accounts. After foreclosure, valuations are performed periodically by management, and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Costs incurred in maintaining foreclosed real estate and subsequent adjustments to the carrying amount of the property are included in income or loss on foreclosed real estate.

Equipment

The Loan Fund capitalizes all expenditures for equipment in excess of \$5,000. Equipment is stated at cost at date of acquisition or fair market value at date of donation. Equipment is depreciated on the straight-line method over the estimated service life of the asset.

Estimated service life for equipment is five to 10 years. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed.

Income Taxes

No provision has been made for income taxes since NCALL Research, Inc. qualifies as a tax-exempt organization under the Internal Revenue Code, Section 501(c)(3), and its activities do not result in any income tax liability. In accordance with the section of FASB ASC regarding accounting for uncertainty in income taxes, NCALL Research, Inc. is required to recognize the financial statement effects of a tax position if it is more likely than not that the position will be sustained upon examination. NCALL Research, Inc. has no uncertain tax positions that qualify for recognition in the financial statements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prior Year Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Loan Fund's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

NOTE 3 BAD DEBT EXPENSE

For the year ended September 30, 2010, bad debt expense in the amount of \$75,000 is comprised of the following:

Increase in allowance for uncollectible accounts	\$ 50,000
Increase in allowance for foreclosed real estate	25,000
TOTAL	<u>\$ 75,000</u>

For the year ended September 30, 2009, bad debt expense in the amount of \$95,000 is comprised of the following:

Increase in allowance for uncollectible accounts	\$ 80,000
Increase in allowance for foreclosed real estate	15,000
TOTAL	<u>\$ 95,000</u>

NOTE 4 ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

For the year ended September 30, 2010, the change in the allowance for uncollectible accounts is as follows:

Allowance for uncollectible accounts at October 1, 2009	\$ 315,000
Adjustment to increase the allowance for uncollectible accounts	50,000
Loan charged off against the allowance	<u>(50,000)</u>
Allowance for uncollectible accounts at September 30, 2010	<u>\$ 315,000</u>

For the year ended September 30, 2009, the change in the allowance for uncollectible accounts is as follows:

Allowance for uncollectible accounts at October 1, 2008	\$ 255,000
Adjustment to increase the allowance for uncollectible accounts	80,000
Loan charged off against the allowance	<u>(20,000)</u>
Allowance for uncollectible accounts at September 30, 2009	<u>\$ 315,000</u>

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 5 FORECLOSED REAL ESTATE HELD FOR RESALE

Foreclosed real estate held for resale represents property acquired through loan default. As of September 30, 2010 and 2009, the Loan Fund had title to one foreclosed property due to loan default. The outstanding principal on this loan at the time of foreclosure was \$300,000, with \$150,000 of the loan being lent by the Loan Fund and the remaining portion of \$150,000 being lent by a third party (the "participant"). Upon the sale of this property, the Loan Fund must remit the first \$150,000 of the proceeds from the sale to the participant rather than the participant sharing *pro rata* in any losses. As of September 30, 2010 and 2009, the Loan Fund has estimated that it will recognize a loss of \$100,000 and \$75,000, respectively, on its portion of the loan when this property is sold and, accordingly, an allowance for loss on foreclosed assets held for resale has been recorded in the statement of financial position.

NOTE 6 LOANS RECEIVABLE SOLD WITHOUT RECOURSE

The Loan Fund has sold loans receivable to financial institutions with no recourse to the Loan Fund. The outstanding balance of the no-recourse loans at September 30, 2010 and 2009 was \$3,201,006 and \$8,834,203, respectively. The loans mature at various times through September 2016. The Loan Fund services, administers and collects the receivables on behalf of the purchaser. The Loan Fund has not recognized a servicing asset or liability because it is impracticable to estimate its fair value.

The Loan Fund sold a loan participation in the amount of \$250,000 to the National Housing Trust Community Development Fund ("NHTCDF"). The purpose of the loan was to bridge the receipt of tax credits, which will be used to repay the loan. If NHTCDF's balance has not been repaid by maturity in September 2012, the Loan Fund is obligated to buy back the participation.

NOTE 7 PERMANENTLY RESTRICTED NET ASSETS

NeighborWorks America capital grants are restricted for making loans and for capital projects. The capital grants are permanently restricted although proceeds on capital projects, or interest earned, over and above the corpus may be transferred to unrestricted net assets for furthering the Organization's mission. However, should the Organization become defunct, all remaining grant funds, interest earnings, capital projects proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NeighborWorks America.

In June 2010, NeighborWorks America released from restriction \$112,542 in prior year grant funds previously classified as permanently restricted net assets by the Loan Fund. Accordingly, this amount has been shown as net assets released from restriction in the statement of activities.

As of September 30, 2010 and 2009, the balance of permanently restricted net assets totaled \$1,012,882 and \$900,424, respectively.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 8 LONG-TERM DEBT

Notes Payable

In December 2005, the Loan Fund entered into an unsecured note agreement with Wachovia Regional Community Development Corporation in the amount of \$250,000. This note bears interest at a fixed rate of 2.5 percent. Semi-annual installments of accrued interest are due and payable on March 31 and September 30 of each year. The entire unpaid balance of principal is due in full on December 16, 2015. As of September 30, 2010 and 2009, the outstanding balance on this note was \$250,000.

In December 2006, the Loan Fund received an unsecured recoverable grant in the amount of \$400,000 from JPMorgan Chase Bank. The Loan Fund is required to repay this grant without interest no later than December 1, 2012. As of September 30, 2010 and 2009, the outstanding balance was \$400,000.

In November 2007, the Loan Fund entered into an unsecured note agreement with Barclays Bank Delaware in the amount of \$500,000. The note bears interest at the three-month LIBOR rate plus .10 percent (.63 and .70 percent at September 30, 2010 and 2009, respectively). Accrued interest is due on January 1, April 1, July 1 and October 1 of each year with the entire unpaid principal balance due in full on November 9, 2014. As of September 30, 2010 and 2009, the outstanding amount of this note was \$500,000.

In September 2008, the Loan Fund entered into an unsecured note agreement with Bank of America for \$1,000,000. The note bears interest at a fixed rate of 4.0 percent. Accrued interest is due on January 1, April 1, July 1 and October 1 of each year. Principal payments of \$300,000 are due in September 2016 and 2017 with the remaining principal of \$400,000 due in September 2018. As of September 30, 2010 and 2009, the outstanding amount of this note was \$1,000,000.

The maturity of the long-term debt is as follows:

Year Ending September 30,

2011	\$	-
2012		-
2013		400,000
2014		-
2015		500,000
2016 and thereafter		<u>1,250,000</u>
		<u>\$ 2,150,000</u>

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC. LOAN FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 9 COMMITMENTS

Loans committed but not disbursed as of September 30, 2010 were as follows:

<u>Loan Amount</u>	<u>Disbursed at 09/30/2010</u>	<u>Commitment</u>
<u>\$ 1,280,448</u>	<u>\$ 569,719</u>	<u>\$ 710,729</u>

Loans committed but not disbursed as of September 30, 2009 were as follows:

<u>Loan Amount</u>	<u>Disbursed at 09/30/2009</u>	<u>Commitment</u>
<u>\$ 5,194,446</u>	<u>\$ 4,284,596</u>	<u>\$ 909,850</u>

The amounts above represent the Loan Fund's portion of the loan and exclude the amount of the loan subject to a participation agreement.

NOTE 10 CONCENTRATIONS

The Loan Fund received 54 percent and 44 percent of its total revenue and public support from NeighborWorks America during the years ended September 30, 2010 and 2009, respectively.

The Loan Fund received 10 percent and nine percent of its total revenue and public support from JP Morgan Chase Foundation during the years ended September 30, 2010 and 2009, respectively.

NOTE 11 SUBSEQUENT EVENTS

The Loan Fund has evaluated all subsequent events through January 20, 2011 the date the financial statements were available to be issued.