BOSTON
COMMUNITY
CAPITAL
AND AFFILIATES

CONSOLIDATING FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

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DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boston Community Capital, Inc. and Affiliates:

We have audited the accompanying consolidating statements of financial position of Boston Community Capital, Inc. and Affiliates (see Note 1) as of December 31, 2010 and 2009, and the related consolidating statements of activities, changes in net assets and non-controlling interests in members' investments, and cash flows for the years then ended. These consolidating financial statements are the responsibility of the management of Boston Community Capital, Inc. and Affiliates. Our responsibility is to express an opinion on these consolidating financial statements based on our audits.

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 consolidating financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidating financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidating financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the consolidating financial position of Boston Community Capital, Inc. and Affiliates as of December 31, 2010 and 2009, and the changes in their net assets and non-controlling interests in members' investments and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As further described in Notes 2 and 3, the consolidating financial statements include certain program-related equity investments valued at $17,272,760 and $14,821,070 (approximately 11% and 12% of total assets) as of December 31, 2010 and 2009, respectively. The values of these investments have been estimated by management in the absence of readily determinable market values. Those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audits were conducted for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole. The accompanying combining and consolidating statements of financial position and activities on pages 43 through 46 are presented for the purposes of additional analysis and are not a required part of the basic consolidating financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidating financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidating financial statements taken as a whole.

Alexander Aronson Finning & Co., P.C.

Wellesley, Massachusetts
April 15, 2011

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES *	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:				
Cash and cash equivalents	$ 19,202,036	$ 65,323	$ -	$ 19,267,359
Cash and cash equivalents - escrow funds	10,041,786	-	-	10,041,786
Cash and cash equivalents - loan loss reserves	4,556,461	-	-	4,556,461
Short-term investments in marketable securities and certificates of deposit	3,113,332	-	-	3,113,332
Current portion of loans and interest receivable, net of allowance for loan losses of $2,083,862	24,233,758	941,400	-	25,175,158
Current portion of affiliate loans and fee receivable	3,147,442	-	(202,516)	2,944,926
Current portion of property and equipment, net	1,280,442	-	-	1,280,442
Grants and rebates receivable	321,720	-	-	321,720
Other current assets	1,964,374	-	(1,291,284)	673,090
Total current assets	67,861,351	1,006,723	(1,493,800)	67,374,274
INVESTMENTS IN MARKETABLE SECURITIES	1,882,353	-	-	1,882,353
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $3,999,804	60,521,888	647,619	-	61,169,507
AFFILIATE LOANS AND FEE RECEIVABLE, net of current portion	10,578,714	-	-	10,578,714
PROGRAM-RELATED EQUITY INVESTMENTS	-	17,272,760	-	17,272,760
INVESTMENTS IN AFFILIATES	4,831,677	-	(4,788,450)	43,227
PROPERTY AND EQUIPMENT, net	5,243,226	-	-	5,243,226
Total assets	$ 150,919,209	$ 18,927,102	$ (6,282,250)	$ 163,564,061
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS				
CURRENT LIABILITIES:				
Current portion of loans payable	$ 4,944,303	$ -	$ -	$ 4,944,303
Current portion of permanent loan capital - subordinated loans payable	46,082	-	-	46,082
Interest and accounts payable	1,184,190	1,291,292	(1,291,284)	1,184,198
Affiliate loans payable	-	202,516	(202,516)	-
Current portion of deferred revenue	1,905,038	-	-	1,905,038
Escrow funds	10,041,786	-	-	10,041,786
Total current liabilities	18,121,399	1,493,808	(1,493,800)	18,121,407
LOANS PAYABLE, net of current portion	71,760,440	-	-	71,760,440
DEFERRED REVENUE, net of current portion	10,742,133	-	-	10,742,133
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE, net of current portion	15,031,220	-	-	15,031,220
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Unrestricted -				
General	23,495,635	-	-	23,495,635
Board designated for permanent loan capital and special programs	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	3,636,839	-	-	3,636,839
Board designated for affiliate investments	2,431,677	-	-	2,431,677
Total unrestricted	30,696,651	-	-	30,696,651
Temporarily restricted -				
Permanent loan capital	878,091	-	-	878,091
Special Program Collaborative	145,960	-	-	145,960
Energy Advantage Program	1,008,395	-	-	1,008,395
Other purpose restrictions	30,587	-	-	30,587
Total temporarily restricted	2,063,033	-	-	2,063,033
Sub-total net assets	32,759,684	-	-	32,759,684
Members' investment - BCLF Ventures, LLCs	-	17,433,294	(17,433,294)	-
Non-controlling interests in members' investment in -				
BCLF Ventures, LLCs	-	-	12,644,844	12,644,844
SUN Initiative Financing, LLC	2,504,333	-	-	2,504,333
Total net assets and non-controlling interests in members' investments	35,264,017	17,433,294	(4,788,450)	47,908,861
Total liabilities, net assets and non-controlling interests in members' investments	$ 150,919,209	$ 18,927,102	$ (6,282,250)	$ 163,564,061

* See accompanying supplemental combining and consolidating statement of financial position on page 43.

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES *	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:				
Cash and cash equivalents	$ 17,528,835	$ 129,842	$ -	$ 17,658,677
Cash and cash equivalents - escrow funds	11,845,132	-	-	11,845,132
Short-term investments in marketable securities	602,417	-	-	602,417
Current portion of loans and interest receivable, net of allowance for loan losses of $2,621,414	23,231,298	1,447,706	-	24,679,004
Affiliate loans receivable	186,747	-	(186,747)	-
Grants and rebates receivable	867,175	-	-	867,175
Other current assets	963,674	-	(652,378)	311,296
Total current assets	55,225,278	1,577,548	(839,125)	55,963,701
INVESTMENTS IN MARKETABLE SECURITIES	2,301,593	-	-	2,301,593
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $1,129,406	43,703,225	-	-	43,703,225
PROGRAM-RELATED EQUITY INVESTMENTS	-	14,821,070	-	14,821,070
INVESTMENTS IN AFFILIATES	3,523,050	-	(3,495,825)	27,225
PROPERTY AND EQUIPMENT, net	3,542,929	-	-	3,542,929
Total assets	$ 108,296,075	$ 16,398,618	$ (4,334,950)	$ 120,359,743
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS				
CURRENT LIABILITIES:				
Current portion of loans payable	$ 9,783,408	$ -	$ -	$ 9,783,408
Current portion of permanent loan capital - subordinated loans payable	172,698	-	-	172,698
Interest and accounts payable	1,135,764	652,378	(652,378)	1,135,764
Affiliate loans payable	-	186,747	(186,747)	-
Escrow funds	11,845,132	-	-	11,845,132
Total current liabilities	22,937,002	839,125	(839,125)	22,937,002
LOANS PAYABLE, net of current portion	43,504,831	-	-	43,504,831
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE, net of current portion	15,077,302	-	-	15,077,302
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Unrestricted -				
General	16,431,567	-	-	16,431,567
Board designated for permanent loan capital and special programs	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	2,331,898	-	-	2,331,898
Board designated for affiliate investments	1,123,050	-	-	1,123,050
Total unrestricted	21,019,015	-	-	21,019,015
Temporarily restricted -				
Permanent loan capital	877,091	-	-	877,091
Special Program Collaborative	226,395	-	-	226,395
Energy Advantage Program	1,023,852	-	-	1,023,852
Other purpose restrictions	130,587	-	-	130,587
Total temporarily restricted	2,257,925	-	-	2,257,925
Sub-total net assets	23,276,940	-	-	23,276,940
Members' investment - BCLF Ventures, LLCs	-	15,559,493	(15,559,493)	-
Non-controlling interests in members' investment in -				
BCLF Ventures, LLCs	-	-	12,063,668	12,063,668
Sun Initiative Financing, LLC	3,500,000	-	-	3,500,000
Total net assets and non-controlling interests in members' investments	26,776,940	15,559,493	(3,495,825)	38,840,608
Total liabilities, net assets and non-controlling interests in members' investments	$ 108,296,075	$ 16,398,618	$ (4,334,950)	$ 120,359,743

* See accompanying supplemental combining and consolidating statement of financial position on page 44.

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES *	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
OPERATING REVENUES:				
Financial and earned revenue -				
Program revenue and fees	$ 11,200,805	$ -	$ (645,900)	$ 10,554,905
Interest on loans, net	4,695,509	356,381	-	5,051,890
Investment income	178,449	143	-	178,592
Net loan loss provision	(995,742)	-	-	(995,742)
Less - interest expense	(2,942,985)	-	-	(2,942,985)
Net financial and earned revenue	12,136,036	356,524	(645,900)	11,846,660
Grants and contributions	1,165,783	-	-	1,165,783
Net assets released from restrictions	195,892	-	-	195,892
Less - pass-through of special program costs	(80,435)	-	-	(80,435)
Total operating revenues	13,417,276	356,524	(645,900)	13,127,900
OPERATING EXPENSES:				
Personnel	3,863,598	-	-	3,863,598
Office operations	449,073	-	-	449,073
Consultants	332,369	-	-	332,369
Depreciation	268,908	-	-	268,908
Legal	213,615	14,025	-	227,640
Marketing	195,322	-	-	195,322
Insurance and other	110,627	31,377	-	142,004
Program expenses	128,112	-	-	128,112
Accounting and investment fees	89,456	28,043	-	117,499
Travel	48,598	-	-	48,598
Management services	-	645,900	(645,900)	-
Total operating expenses	5,699,678	719,345	(645,900)	5,773,123
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	7,717,598	(362,821)	-	7,354,777
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Net unrealized gain on program-related equity investments	-	2,882,905	-	2,882,905
Impairment loss on program-related equity investments and loan and interest receivable	(328,254)	(646,283)	-	(974,537)
Share of income of consolidating affiliates	1,292,625	-	(1,292,625)	-
Changes in unrestricted net assets and non-controlling interests in members' investments	8,681,969	1,873,801	(1,292,625)	9,263,145
TEMPORARILY RESTRICTED NET ASSETS:				
Grants and contributions	1,000	-	-	1,000
Net assets released from restrictions -				
Operating grants released from purpose restrictions	(195,892)	-	-	(195,892)
Changes in temporarily restricted net assets	(194,892)	-	-	(194,892)
Changes in net assets and non-controlling interests in members' investments	$ 8,487,077	$ 1,873,801	$ (1,292,625)	$ 9,068,253

* See accompanying supplemental combining and consolidating statement of activities on page 45.

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES *	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
OPERATING REVENUES:				
Financial and earned revenue -				
Program revenue and fees	$ 4,388,827	$ -	$ (645,900)	$ 3,742,927
Interest on loans, net	4,436,473	196,547	-	4,633,020
Investment income	197,500	24,203	-	221,703
Net loan loss provision	(1,097,271)	-	-	(1,097,271)
Less - interest expense	(2,561,309)	-	-	(2,561,309)
Net financial and earned revenue	5,364,220	220,750	(645,900)	4,939,070
Grants and contributions	1,198,056	-	-	1,198,056
Net assets released from restrictions	280,680	-	-	280,680
Less - pass-through of special program costs	(180,680)	-	-	(180,680)
Total operating revenues	6,662,276	220,750	(645,900)	6,237,126
OPERATING EXPENSES:				
Personnel	3,354,240	-	-	3,354,240
Office operations	264,196	-	-	264,196
Consultants	142,516	-	-	142,516
Depreciation	133,119	-	-	133,119
Legal	123,347	61,926	-	185,273
Marketing	126,036	-	-	126,036
Insurance and other	118,460	26,526	-	144,986
Program expenses	227,734	-	-	227,734
Accounting and investment fees	86,365	31,162	-	117,527
Travel	35,725	-	-	35,725
Management services	-	645,900	(645,900)	-
Total operating expenses	4,611,738	765,514	(645,900)	4,731,352
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	2,050,538	(544,764)	-	1,505,774
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Net unrealized gain on program-related equity investments	-	1,715,849	-	1,715,849
Impairment loss on program-related equity investments and loan and interest receivable	-	(324,378)	-	(324,378)
Share of income of consolidating affiliates	556,907	-	(556,907)	-
Changes in unrestricted net assets and non-controlling interests in members' investments	2,607,445	846,707	(556,907)	2,897,245
TEMPORARILY RESTRICTED NET ASSETS:				
Grants and contributions	1,015	-	-	1,015
Net assets released from restrictions:				
Operating grants released from purpose restrictions	(280,680)	-	-	(280,680)
Energy Advantage Program grants released to offset costs of solar energy systems (see Note 2 and 7)	(3,775,000)	-	-	(3,775,000)
Changes in temporarily restricted net assets	(4,054,665)	-	-	(4,054,665)
Changes in net assets and non-controlling interests in members' investments	$ (1,447,220)	$ 846,707	$ (556,907)	$ (1,157,420)

* See accompanying supplemental combining and consolidating statement of activities on page 46.

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENTS OF CHANGES IN NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	UNRESTRICTED	UNRESTRICTED - BOARD DESIGNATED			TEMPORARILY RESTRICTED					
	GENERAL	PERMANENT LOAN CAPITAL AND SPECIAL PROGRAMS	LOAN LOSS RESERVES	AFFILIATE INVESTMENTS	PERMANENT LOAN CAPITAL	SPECIAL PROGRAM COLLABORATIVE	ENERGY ADVANTAGE PROGRAM	OTHER PURPOSE RESTRICTIONS	NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS	TOTAL
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS, December 31, 2008	$ 14,637,885	$ 1,132,500	$ 2,075,042	$ 566,143	$ 876,076	$ 407,075	$ 4,798,852	$ 230,587	$ 11,773,868	$ 36,498,028
Changes in net assets and non-controlling interests in members' investments	2,050,538	-	-	556,907	1,015	(180,680)	(3,775,000)	(100,000)	289,800	(1,157,420)
Capital contributions	-	-	-	-	-	-	-	-	3,500,000	3,500,000
Transfers of unrestricted net assets	(256,856)	-	256,856	-	-	-	-	-	-	-
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS, December 31, 2009	16,431,567	1,132,500	2,331,898	1,123,050	877,091	226,395	1,023,852	130,587	15,563,668	38,840,608
Changes in net assets and non-controlling interests in members' investments	8,385,011	-	-	1,292,625	1,000	(80,435)	(15,457)	(100,000)	(414,491)	9,068,253
Transfers of unrestricted net assets	(1,320,943)	-	1,304,941	16,002	-	-	-	-	-	-
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS, December 31, 2010	$ 23,495,635	$ 1,132,500	$ 3,636,839	$ 2,431,677	$ 878,091	$ 145,960	$ 1,008,395	$ 30,587	$ 15,149,177	$ 47,908,861

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010				2009			
	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES	BCLF VENTURES, LLCs	ELIMI-NATIONS	TOTAL	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES	BCLF VENTURES, LLCs	ELIMI-NATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:								
Changes in net assets and non-controlling interests in members' investments	$ 8,487,077	$ 1,873,801	$ (1,292,625)	$ 9,068,253	$ (1,447,220)	$ 846,707	$ (556,907)	$ (1,157,420)
Adjustments to reconcile changes in net assets and non-controlling interests in members' investments to net cash provided by (used in) operating activities:								
Depreciation	268,908	-	-	268,908	133,119	-	-	133,119
Net realized and unrealized losses on investments in marketable securities	1,998	-	-	1,998	4,248	-	-	4,248
Net loan loss provision	995,742	-	-	995,742	1,097,271	-	-	1,097,271
Net unrealized gains on program-related equity investments	-	(2,882,905)	-	(2,882,905)	-	(1,715,849)	-	(1,715,849)
Impairment loss on program-related equity investments and loan and interest receivable	328,254	646,283	-	974,537	-	324,378	-	324,378
Share of income of consolidating affiliates	(1,292,625)	-	1,292,625	-	(556,907)	-	556,907	-
Grants for capital and investment uses	(1,000)	-	-	(1,000)	(1,015)	-	-	(1,015)
Energy Advantage Program grants released to offset costs of solar energy systems	-	-	-	-	3,775,000	-	-	3,775,000
Changes in operating assets and liabilities -								
Interest receivable	277,868	(356,381)	-	(78,513)	(450,495)	(189,318)	-	(639,813)
Affiliate fees receivable	(13,867,663)	-	-	(13,867,663)	-	-	-	-
Other current assets	(1,000,700)	-	-	(1,000,700)	(580,842)	-	-	(580,842)
Interest and accounts payable	48,426	654,683	-	703,109	(150,132)	491,780	-	341,648
Deferred revenue	12,647,171	-	-	12,647,171	-	-	-	-
Deferred loan fees	(3,039)	-	-	(3,039)	21,579	-	-	21,579
Net cash provided by (used in) operating activities	6,890,417	(64,519)	-	6,825,898	1,844,606	(242,302)	-	1,602,304
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of program-related equity investments	-	-	-	-	-	61,574	-	61,574
Purchase of program-related equity investments	-	-	-	-	-	(183,050)	-	(183,050)
Investment in loan loss reserves	(4,556,461)	-	-	(4,556,461)	-	-	-	-
Investment in affiliates	(16,002)	-	-	(16,002)	-	-	-	-
Issuance of loans receivable	(21,915,683)	-	-	(21,915,683)	(12,884,961)	-	-	(12,884,961)
Principal payments of loans receivable	8,052,293	-	-	8,052,293	8,330,726	-	-	8,330,726
Purchase of property and equipment, net of proceeds from grants and rebates for solar energy equipment	(7,932,496)	-	-	(7,932,496)	(2,678,751)	-	-	(2,678,751)
Purchase of certificate of deposit and interest earned	(3,010,737)	-	-	(3,010,737)	-	-	-	-
Proceeds from sales and maturities of investments	1,000,000	-	-	1,000,000	3,116,040	-	-	3,116,040
Payments for investments and interest earned	(82,936)	-	-	(82,936)	(2,461,599)	-	-	(2,461,599)
Net cash used in investing activities	(28,462,022)	-	-	(28,462,022)	(6,578,545)	(121,476)	-	(6,700,021)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Grants for capital and investment uses	1,000	-	-	1,000	1,015	-	-	1,015
Capital contribution	-	-	-	-	3,500,000	-	-	3,500,000
Proceeds from loans payable	28,484,598	-	-	28,484,598	1,302,784	175,821	-	1,478,605
Principal payments on loans payable	(5,068,094)	-	-	(5,068,094)	(1,233,000)	-	-	(1,233,000)
Proceeds from subordinated loans payable	(172,698)	-	-	(172,698)	-	-	-	-
Net cash provided by financing activities	23,244,806	-	-	23,244,806	3,570,799	175,821	-	3,746,620
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,673,201	(64,519)	-	1,608,682	(1,163,140)	(187,957)	-	(1,351,097)
CASH AND CASH EQUIVALENTS, beginning of year	17,528,835	129,842	-	17,658,677	18,691,975	317,799	-	19,009,774
CASH AND CASH EQUIVALENTS, end of year	$ 19,202,036	$ 65,323	$ -	$ 19,267,359	$ 17,528,835	$ 129,842	$ -	$ 17,658,677
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -								
Cash paid for interest	$ 2,923,252	$ -	$ -	$ 2,923,252	$ 2,556,865	$ -	$ -	$ 2,556,865

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

(1) OPERATIONS AND RELATED ENTITIES

OPERATIONS

Boston Community Capital, Inc. (the Holding Company), a Massachusetts nonprofit corporation, was organized in September, 1994, to create and preserve healthy communities where low-income people live and work. The Holding Company manages and develops community development financial initiatives, which directly or indirectly benefit low-income or disadvantaged people or communities.

The Holding Company operates in connection with three other affiliated Massachusetts nonprofit corporations:

- **BCLF Managed Assets Corporation** d/b/a Boston Community Managed Assets (Managed Assets) was formed in 1994 to manage, design, implement, and evaluate programs on behalf of third parties that provide loan underwriting, management, servicing, and financial and managerial technical assistance services.
- **BCLF Ventures, Inc.** d/b/a Boston Community Venture Fund (the Venture Fund) was formed in 1994 to assist small community-based businesses and entrepreneurs to start, grow, and expand businesses which strengthen the low-income business community.
- **Boston Community Loan Fund, Inc.** (the Loan Fund) was formed in 1984 to provide below market rate capital to community-based organizations for the development of affordable housing.

The four affiliated nonprofit corporations are collectively referred to as the Corporation. To carry out its mission, the Corporation provides capital for sustainable community-based projects. These projects increase or preserve low-income housing or provide jobs or services for low-income or disadvantaged people or communities. The Corporation receives the money it invests in community-based projects from socially concerned investors, which include individuals, religious organizations, banks and other financial intermediaries, foundations, and corporations. A significant portion of the Corporation's projects are in Boston and surrounding areas.

Nonprofit Status

The four affiliated nonprofit corporations are individually exempt from Federal income taxes as organizations formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (the Code). Donors may deduct contributions made to the Corporation within the requirements of the Code. Managed Assets is classified as a private operating foundation and is subject to an excise tax on net investment income, as defined under Section 4949(e) of the Code. Managed Assets is also subject to the Code's regulations governing required minimum expenditures for charitable purposes. The other three nonprofit corporations are classified as publicly supported organizations. The Corporation is also exempt from state income taxes.

Community Development Financial Institutions

The Loan Fund, Venture Fund, and Aura Mortgage (see page 9), have been granted status as Community Development Financial Institutions (CDFIs) by the U.S. Department of the Treasury (the Treasury), qualifying them for certain awards and support from the Treasury. The Loan Fund received a $500,000 permanent loan capital-subordinated loan payable (see Note 9) from the Treasury. In 2010, Aura Mortgage received a $750,000 grant from the Treasury and in 2009, the Loan Fund received a $1,000,000 grant from the Treasury.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES

Consolidated Affiliates

The nonprofits comprising the Corporation (see page 8) and the following affiliates of the Corporation have been consolidated within the Boston Community Capital, Inc. and Operating Affiliates columns of the consolidating financial statements.

The Corporation operates foreclosure and home mortgage services as carried out through the first three consolidated affiliates below:

Aura Mortgage Advisors, LLC

The Corporation formed Aura Mortgage Advisors, LLC (Aura Mortgage), a Massachusetts limited liability company, with the Venture Fund as its sole member. Aura Mortgage has elected to be a disregarded entity for tax purposes. Aura Mortgage was formed for the purpose of acting as a mortgage broker for low-income people and communities. During 2009, Aura Mortgage became licensed by the Massachusetts Division of Banks as a mortgage lender. Aura Mortgage's licenses as mortgage lender and broker are subject to renewal annually and are scheduled for renewal by December 31, 2011. In January, 2009, Aura Mortgage was approved as a Title II Federal Housing Administration lender by the U.S. Department of Housing and Urban Development.

NSP Residential, LLC

The Corporation formed NSP Residential, LLC (NSP), a Massachusetts limited liability company, to combat community deterioration and to improve general conditions where low-income people live and work. The Holding Company is NSP's only member and NSP has elected to be a disregarded entity for tax purposes. NSP purchases and rehabilitates residential properties in foreclosure or at risk of foreclosure in low-income communities in Massachusetts in connection with the Stabilizing Urban Neighborhoods Initiative (SUN Initiative). The goal of SUN Initiative is to stop the displacement of families and the neighborhood destabilizing effects of home vacancies and abandonment by enabling homeowners with overleveraged properties to stay in their homes. NSP seeks to resell purchased properties to low-income individuals. The properties are generally purchased by NSP in negotiated transactions from lenders holding the foreclosed properties or troubled loans. Once the purchases by NSP are complete, the homeowners apply for financing through Aura Mortgage or other sources, thereby allowing the residents (either previous owners or persons renting the residence) to remain in the homes and avoid eviction.

SUN Initiative Financing, LLC

In 2009, the Corporation formed SUN Initiative Financing, LLC (SUN Financing). SUN Financing is a Massachusetts limited liability company established to finance the operations of SUN Initiative, operated and managed by NSP. SUN Financing provides financing for activities of SUN Initiative within the geographic areas surrounding Revere and Boston, Massachusetts. In 2009, SUN Financing received an initial capital contribution from an outside investor for $3,500,000, which acts as first loss capital on its loans receivable. In 2010, SUN Financing raised additional capital in the form of loans payable from investors (see Note 8). NSP and the outside investor each hold 50% of the membership units in SUN Financing.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES (Continued)

Consolidated Affiliates (Continued)

SUN Initiative Financing, LLC (Continued)

SUN Financing has elected to be treated as a partnership for income tax purposes. Items of income, loss, credits or deductions arising from operations are reported by the members on their respective income tax returns. In accordance with SUN Financing's operating agreement, net profits are allocated to each member until they have been allocated net profits in amounts equal to the net losses allocated, and then 50% to NSP and 50% to the outside investor member. Net losses are allocated to the members until their positive capital account balances are reduced to zero, and then 100% to the outside investor member.

BCC Solar Energy Advantage, Inc.

During 2008, the Corporation formed BCC Solar Energy Advantage, Inc. (SEA), a Massachusetts for-profit corporation, to facilitate the delivery of solar energy to affordable housing projects and others. The Holding Company owns 100% of SEA's common stock and all members of the Board of Directors are employees of the Corporation. As of December 31, 2010 and 2009, SEA had completed construction of solar panels at eight and seven sites in Massachusetts, respectively (see Note 7) and entered into long-term contracts with the owners to provide electricity to the sites. As of December 31, 2010, SEA also has an additional four sites under construction.

Consolidating Affiliates

BCLF Ventures, LLCs

The Corporation is related to two other Massachusetts limited liability companies through common Board of Director membership, management and financial investment. These limited liability companies are BCLF Ventures I, LLC (Ventures I, LLC) and BCLF Ventures II, LLC (Ventures II, LLC) (collectively, BCLF Ventures, LLCs).

Ventures I, LLC

In 1997, the Corporation formed Ventures I, LLC, a Massachusetts for-profit limited liability company, for the purpose of making investments in businesses that benefit low-income people and communities. Ventures I, LLC entered into a management agreement with the Venture Fund to act as its manager member. Under the terms of this agreement, the Venture Fund supervises the activities of Ventures I, LLC in exchange for an annual management fee of 3% of Venture I, LLC's contributed capital, payable monthly. The Venture Fund earned fees of $150,900 in both 2010 and 2009. The management agreement exists for the term of Ventures I, LLC, but may be terminated with cause and approval of 75% of Ventures I, LLC's regular members.

In accordance with Ventures I, LLC's operating agreement, annual profits and losses of Ventures I, LLC are allocated 50% to regular members and 50% to the manager member to the extent that aggregate cumulative net profits exceed aggregate cumulative net losses. Otherwise, profits and losses are allocated 99% to the regular members and 1% to the manager member.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES (Continued)

Consolidating Affiliates (Continued)

BCLF Ventures, LLCs (Continued)

Ventures II, LLC

In 2000, the Corporation formed Ventures II, LLC. Ventures II, LLC is a Massachusetts for-profit limited liability company organized for the same purposes as Ventures I, LLC. Ventures II, LLC also entered into a management agreement with the Venture Fund to act as its manager member. Under the terms of this agreement, the Venture Fund supervises the activities of Ventures II, LLC for an annual management fee of 3% of Ventures II, LLC's contributed capital, payable monthly. The Venture Fund earned fees of $495,000 in both 2010 and 2009. The management agreement exists for the term of Ventures II, LLC, but may be terminated with cause and approval of 75% of Ventures II, LLC's regular members.

In accordance with Ventures II, LLC's operating agreement, annual profits and losses of Ventures II, LLC are allocated 75% to regular members and 25% to the manager member to the extent that aggregate cumulative net profits exceed aggregate cumulative net losses. Otherwise, profits and losses are allocated 99% to the regular members and 1% to the manager member.

The BCLF Ventures, LLCs also have regular members, including the Venture Fund, which are both the manager and a regular member of each fund. In 2010, the BCLF Ventures, LLCs exercised an option to extend operations for two additional years and will terminate no later than July, 2012.

The BCLF Ventures, LLCs have elected to be treated as partnerships for income tax purposes. Items of income, loss, credits or deductions arising from operations are reported by the members on their respective income tax returns. Accordingly, the accompanying consolidating financial statements do not reflect any provisions or credits for income taxes.

Unconsolidated Affiliates

BCC NMTC CDEs

The Holding Company, the Venture Fund, Managed Assets, and the Loan Fund have also been granted status by the Treasury as Community Development Entities (CDEs). The Holding Company has received cumulative allocations totaling $300 million of qualified equity investments (QEIs) for purposes of the New Markets Tax Credits (NMTC), of which $290 million and $130 million has been syndicated as of December 31, 2010 and 2009, respectively. During 2010, $160 million of these allocations were syndicated through the capitalization of BCC NMTC CDE VIII, LLC and BCC NMTC CDE IX, LLC.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES (Continued)

Unconsolidated Affiliates (Continued)

BCC NMTC CDEs (Continued)

The Holding Company has formed a total of thirteen CDEs (collectively, the CDE LLCs), the first nine and seven of which were activated as of December 31, 2010 and 2009, respectively:

BCC NMTC CDE I, LLC
BCC NMTC CDE II, LLC
BCC NMTC CDE III, LLC
BCC NMTC CDE IV, LLC
BCC NMTC CDE V, LLC
BCC NMTC CDE VI, LLC
BCC NMTC CDE VII, LLC
BCC NMTC CDE VIII, LLC
BCC NMTC CDE IX, LLC

The other four CDE LLCs have been formed for the NMTC allocations yet to be syndicated and future NMTC allocations, but have conducted no financial activity to date. They are as follows:

BCC NMTC CDE X, LLC
BCC NMTC CDE XI, LLC
BCC NMTC CDE XII, LLC
BCC NMTC CDE XIII, LLC

The CDE LLCs were formed as Massachusetts limited liability companies in which Managed Assets will serve as the Managing Member with a .01% interest and unrelated Investor Members as regular members have a 99.99% interest.

Managed Assets entered into agreements with the Investor Members who provided approximately $290 million of cumulative qualified equity investments (QEI) as of December 31, 2010, to make qualified low-income community investments (QLICIs) of the active CDE LLCs. By making QLICIs, the CDE LLCs enable the Investor Members to claim approximately $113,100,000 of NMTC over credit periods of seven years. For its participation in establishing the CDE LLCs and underwriting the QLICIs made during 2010 and 2009, Managed Assets earned upfront and sub-allocation fees of $8,000,000 and $1,147,407, respectively, which are included in program revenue and fees in the accompanying consolidating statements of activities (see Note 2).

Management has allocated the delayed portions of CDE VIII and IX's sub-allocation fees to Managed Assets as compensation for annual services related to servicing and management of the CDE entities. The delayed sub-allocation fees will be recognized over the seven year life of the CDEs through December, 2017. Delayed fees from CDE VIII and IX total $6,800,000, and $6,535,266, respectively, and are due in installments through December, 2015. As of December 31, 2010, Managed Assets has reported $688,095 of these fees as revenue, which is included in program revenue and fees in the accompanying consolidating statement of activities. The remaining unrecognized portion is included in deferred revenue in the accompanying consolidating statements of financial position. These delayed portions are also included in affiliate loans and fee receivable.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES (Continued)

Unconsolidated Affiliates (Continued)

BCC NMTC CDEs (Continued)

Terms of the agreements with the Investor Members require Managed Assets to maintain certain covenants to avoid recapture of NMTC and possible reimbursement of a portion of upfront fees it has received. At December 31, 2010, Managed Assets was in compliance with all such covenants and management expects to maintain compliance throughout the seven-year life of each NMTC.

Managed Assets also earned annual management fees of $650,925 and $649,078 for 2010 and 2009, respectively, in conjunction with the management of CDEs I - VII. These fees are also included within program revenue and fees in the accompanying consolidating statements of activities.

For CDE I-VI LLC, Managed Assets will earn backend fees of 5% of the highest amount invested in QLICIs over each seven-year credit period, but not to exceed 5% of 89.5% of the QEI funded by the Investor Members. No portion of backend fees has been considered earned as of December 31, 2010, as they are contingent upon compliance with covenants that would cause a recapture of NMTC. Management expects to maintain compliance through the seven-year life of each NMTC, at which time these backend fees will be earned and payable to Managed Assets.

Backend fees from the various CDE LLCs are expected to be earned and paid as follows:

	Amount	Date
BCC NMTC CDE I, LLC	$1,272,500	January, 2012
BCC NMTC CDE II, LLC	$ 399,713	September, 2013
BCC NMTC CDE III, LLC	$ 257,500	July, 2012
BCC NMTC CDE IV, LLC	$ 956,500	December, 2012
BCC NMTC CDE V, LLC	$ 246,287	March through April, 2013
BCC NMTC CDE VI, LLC	$2,100,000	November, 2014

WegoWise, Inc.

In 2010, the Holding Company and two unrelated entities formed a joint venture company, WegoWise, Inc. (WegoWise), a Delaware Corporation, for the purpose of creating and selling a web based energy tracking tool to home and business owners. The Holding Company owns one-third of the outstanding shares of WegoWise. Additionally, the Holding Company has two convertible notes receivable agreements with WegoWise (see Note 5). The investment in WegoWise is recorded on the equity method (see Note 2).

(2) SIGNIFICANT ACCOUNTING POLICIES

The Corporation prepares its consolidating financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Principles of Consolidation

The consolidating financial statements include the nonprofit affiliates under common control and all wholly-owned for-profit limited liability companies and corporations (see Note 1). All significant intercompany balances and transactions have been eliminated in the accompanying consolidating financial statements.

The Corporation follows the standards pertaining to the consolidation of variable interest entities. The CDE LLCs are considered variable interest entities (VIEs) within the meaning of these standards. An entity considered to be the primary beneficiary of a VIE has both (a) the power to direct activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive the majority of benefits from the VIE that could potentially be significant to the VIE. The Investor Members of the CDE LLCs are considered the primary beneficiaries of the CDE LLCs. Since the Investor Members are the primary beneficiaries, the financial statements of the CDE LLCs are consolidated with those of the Investor Members and, therefore, are not included in the accompanying consolidating financial statements.

SUN Financing is an integral part of the SUN Initiative (see Note 1), which is deemed to be a business and is therefore not subject to consideration as a VIE. Likewise, BCLF Ventures I, LLC and BCLF Ventures II, LLC are deemed to operate as businesses and are therefore not subject to consideration as VIEs. Instead, SUN Financing and the BCLF Ventures, LLC, have implemented the accounting guidance regarding *Accounting for an Investment in a Limited Partnership when the Investor is the Sole General Partner and the Limited Partners have Certain Rights*, with respect to NSP's interest in SUN Financing and the Venture Fund's interest in the BCLF Ventures, LLC, respectively (see Note 1). This guidance provides that a sole managing member of a LLC is presumed to control the LLC and should consolidate the LLC's financial statements with its own unless the other members of the LLC maintain kick-out rights or substantive participating rights with respect to the operation of the LLC which overcome the presumption of control by the managing member. The Investor Members of SUN Financing and the BCLF Ventures, LLC do not maintain such rights and, therefore, the financial statements of these entities have been included in the accompanying consolidating financial statements.

Estimates

The preparation of consolidating financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidating financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value

The Corporation follows the *Fair Value Measurements* standard. This standard defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements. The criterion establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value framework are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Cash and Cash Equivalents and Concentration of Risk

For the purpose of the consolidating statements of cash flows, cash and cash equivalents consist of all highly liquid investments purchased with a maturity of three months or less. Cash and cash equivalents are maintained in six banks in Massachusetts and are insured within limits of the Federal Deposit Insurance Corporation (FDIC). At times, cash and cash equivalents may exceed the insured limits. Management monitors, on a regular basis, the financial condition of the financial institutions, along with their balances, to minimize potential risk.

The Corporation also held cash balances of $10,041,786 and $11,845,132 in escrow for outside parties as of December 31, 2010 and 2009, respectively. These amounts are escrowed for borrowers for various purposes, including working capital reserves, replacement reserves, and construction fund escrows.

Cash and cash equivalents - loan loss reserves includes a variety of funds set aside in 2010 in connection with the Corporation's Foreclosure and Home Mortgage Services. These reserves are invested in cash and short-term certificates of deposit.

Investments in Marketable Securities

Investments in marketable securities are reported at fair value (see above and Note 3). Fixed term securities maturing in less than one year are categorized as short-term. Realized gains or losses are recognized upon sale and unrealized gains or losses are recorded based on changes in market value. Investments in marketable securities are not insured and are subject to market fluctuations. Investment income from marketable securities is recognized when earned.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program-Related Equity Investments

Program-related equity investments consist of equity investments made by BCLF Ventures, LLCs in privately held corporations that provide job opportunities to low-income people (see Note 3). These investments represent non-controlling interests in the respective corporations. Management of the Ventures Fund is represented on the Board of Directors of these corporations and consistently monitors each entity's financial condition.

Management reports program-related investments at fair value as estimated in good faith. Changes in estimated values are reported in the accompanying consolidating statements of activities as unrealized gains or losses. Due to the inherent uncertainty of valuations, estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Realized gains or losses are reported upon sale or exchange.

Investments in Affiliates

The Corporation accounts for its non-marketable interests in BCLF Ventures LLCs and its investment in WegoWise (see Note 1) using the equity method because its investment is significant and it is able to exercise significant influence on the activities of these entities. Under the equity method, the cost of the original investment is increased or decreased by the Corporation's share of earnings or loss of BCLF Ventures, LLCs and WegoWise, and reduced by distributions received. The resulting investments in the BCLF Ventures LLCs are eliminated in consolidation. Because the Holding Company also holds two notes receivable from WegoWise, the Holding Company's share of losses that exceed its investment are reported as a reduction of the note receivable (see Note 5).

For consolidated affiliates and insubstantial affiliate investments, the Corporation uses the cost method. Under the cost method, the Corporation records its investments in investees at cost, and recognizes as income dividends received that are distributed from net accumulated earnings of the investees (see Note 4).

Uncertainty in Income Taxes

The Corporation adopted the *Accounting for Uncertainty in Income Taxes* standard which requires the Corporation to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of December 31, 2010, the Corporation determined that there are no material unrecognized tax benefits to report.

Information returns filed for the years ended December 31, 2009, 2008, and 2007 ,remain subject to examination by the Internal Revenue Service and Massachusetts. The Corporation does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

Property and Equipment and Depreciation

The Corporation records all significant expenditures for property and equipment (see Note 7) with useful lives in excess of one year at cost, if purchased, or at the fair market value on the date received, if donated. Renewals and betterments are capitalized as additions to the related asset accounts while repairs and maintenance are expensed as incurred.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation is recorded using the straight-line method over the following useful lives:

Computer and office equipment	3 – 5 years
Leasehold improvements	Life of lease (see Note 10)
Solar energy equipment	12 years
Rental properties	25 years (after being held one year)
Properties held for sale	3 years (after being held one year)

With respect to solar energy equipment as developed and owned by SEA, the Corporation has adopted a policy of reducing the cost of such equipment by the amount of grants and rebates received in connection with the development of the equipment (see Net Assets and Members' Investment below and Note 7). This reporting policy reduces the carrying cost of solar energy equipment to the net cost expected to be recovered through the operation and future disposal of the equipment.

Also included in property and equipment are purchased rental properties and properties held for sale as funded by SUN Financing (see Note 1) which are recorded at cost. Properties held for sale are being rented to low-income homeowners under rent-to-buy arrangements (see Note 7). Rental properties, after being held for one year, are depreciated over twenty five years. Any properties held for sale longer than one year are depreciated over three years.

Net Assets and Members' Investment

Unrestricted net assets include those net resources of the Corporation that bear no external restrictions. These include the Corporation's general net assets, net assets designated by the Board of Directors for permanent loan capital and special programs, loan loss reserves, and affiliate investments. During 2010 and 2009, the Board of Directors designated $554,941 and $256,856, respectively, of the Loan Fund's general net assets for loan loss reserves (see Note 6). These designations are reported in the accompanying consolidating statements of changes in net assets and non-controlling interest in members' investments as transfers of unrestricted net assets. The Corporation's Board of Directors has also designated $750,000 which is the proceeds of a 2010 grant from the Treasury to Aura Mortgage, for future loan loss reserves.

The Corporation's Board of Directors has designated $1,000,000, the proceeds of two unrestricted grant awards from the Treasury (see Note 1), as permanent loan capital (see page 18) in unrestricted net assets. The Corporation also designated $132,500 of previously unrestricted net assets to Board designated net assets for special programs of the Loan Fund.

The Board of Directors may authorize transfers of unrestricted net assets among the affiliates to support new initiatives. In 2010, Managed Assets transferred $1,000,000 to the Loan Fund, $300,000 to the Venture Fund and $700,000 to the Holding Company. In 2009, Managed Assets transferred $1,500,000 to the Loan Fund, $2,100,000 to the Holding Company and $290,000 to the Venture Fund. Also in 2009, the Holding Company transferred $750,000 to the Venture Fund.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets and Members' Investment (Continued)

Temporarily restricted net assets are net financial resources restricted by donors as to the purpose or timing of expenditure. Temporarily restricted net assets consist of the following as of December 31:

	2010	2009
Purpose restricted:		
Energy Advantage Program (EAP)	$1,008,395	$1,023,852
Permanent loan capital	878,091	877,091
Special Program Collaborative	145,960	226,395
Other purpose restrictions	30,587	130,587
Total temporarily restricted	$2,063,033	$2,257,925

EAP net assets consist of the unspent proceeds and accumulated earned interest from a grant in the original amount of $5,000,000 received in 2007, which is restricted for a partnership between the Corporation and other agencies to design and implement a financing program to support the installation of on-site renewable energy systems for low-income housing across Massachusetts. $15,457 and $3,775,000 was released from restrictions pertaining to SEA's installation of solar panels in 2010 and 2009, respectively. The funds released in 2009 were transferred from the Holding Company to SEA and used to reduce the reported cost of the solar panels (see Note 7).

Permanent loan capital is the term the Corporation uses to describe those capital resources, which are intended to provide a permanent capital base for lending activities, meeting debt covenants and providing for potential loan losses. The Corporation has three categories of permanent loan capital: net assets temporarily restricted by donors, net assets designated by the Board of Directors (see page 17), and subordinated loans payable (see Note 9).

No outside donor has imposed an obligation on the Corporation to replenish the principal of any gift of permanent loan capital in the event such funds are needed to offset loan losses. Accordingly, donor-restricted permanent loan capital awards have been classified as temporarily restricted net assets in the accompanying consolidating statements of financial position.

Special Program Collaborative net assets consist of the remaining unspent proceeds of a grant in the original amount of $1,500,000, received in 2004, which is designated for activities of a collaborative between the Corporation and other agencies to promote ecologically efficient building designs and related technical assistance to community development corporations. A significant portion of the proceeds of this grant have been distributed to collaborative members and other agencies. During 2010 and 2009, $80,435 and $180,680, respectively, was expended for grants and other project costs and is included in pass-through of special program costs in the accompanying consolidating statements of activities.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets and Members' Investment (Continued)

Temporarily restricted net assets (Continued)

Net assets released from restrictions include:

	2010	2009
Released to operating revenues:		
Special program collaborative	$ 80,435	$ 180,680
Other purpose restrictions	100,000	100,000
EAP costs	15,457	-
Subtotal	195,892	280,680
EAP grant released to offset costs of solar energy systems (see Note 7)	-	3,775,000
	$195,892	$4,055,680

Members' Investment represents the net capital investment of BCLF Ventures, LLCs regular and manager members and SUN Initiative's members. The regular and manager membership interests of the Ventures Fund in BCLF Ventures, LLC and the Corporation's interest in SUN Initiative have been eliminated in consolidation (see Note 4) resulting in presentation of only the non-controlling interests of other members in the consolidated totals.

Revenue Recognition

Revenues from loans, investments, and other financial instruments are recognized as unrestricted revenue as earned on an accrual basis except where restricted by donors (see Net Assets and Members' Investment). Interest on loans is presented net of interest of $2,689,736 and $3,254,701 collected on behalf of loan participants (see Notes 5 and 8) in 2010 and 2009, respectively.

Program revenue and fees includes:

- Loan fees of the Loan Fund and Aura Mortgage
- Upfront, backend and sub-allocation fees of Managed Assets
- Management fees of the Venture Fund and Managed Assets
- Developer fees of the Holding Company
- Electric utility charges and sales of RECs of SEA (see Note 7)
- Other fee income

Program revenue and fees are recognized on the accrual basis as services or goods are delivered or according to relevant benchmarks or criteria of the underlying agreements. Fees committed in advance are included in deferred revenue and will be recognized as earned.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Corporation generally amortizes loan origination fees over the term of the loans. Unamortized deferred loan fees are included as an adjustment to the carrying value of loans receivable in the accompanying consolidating statements of financial position (see Note 5).

Grants and contributions with no donor restrictions are recognized as unrestricted revenue when received or unconditionally pledged to the Corporation. Donor restricted grants and contributions with time or purpose restrictions are recognized as temporarily restricted net assets when received or unconditionally pledged. Temporarily restricted net assets are transferred to unrestricted net assets when they are used in accordance with donor restrictions. Donor restricted gifts received and expended for their intended use in the same year, are reflected as increases in unrestricted net assets.

Loan Losses

Provisions are made for estimated loan losses based on management's evaluation of each loan. Loss recoveries are recorded in the year of recovery. The allowance for loan losses is established through a provision for loan losses charged to operations. The allowance is an amount that management believes will be adequate to absorb expected losses on existing loans that may become uncollectible.

Management evaluates loan collectibility through consideration of factors such as previous loss experience, performance of individual loans in accordance with contract terms, financial strength and cash flows of the borrower, realizable values of collateral and current economic conditions that may affect the borrower's ability to repay.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Subsequent Events

Subsequent events have been evaluated through April 15, 2011, which is the date the consolidating financial statements were available to be issued. All events that met the criteria for recognition or disclosure in the consolidating financial statements have been properly disclosed.

(3) INVESTMENTS

Investments in Marketable Securities

Fair values of investments in marketable securities at December 31, 2010 and 2009, are summarized as follows:

2010	Cost	Fair Value	Unrealized Appreciation
Certificates of deposit	$4,995,685	$4,995,685	$ -

2009	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of deposit	$1,902,012	$1,902,012	$ -
U.S. Government securities	506,055	501,875	(4,180)
Government sponsored enterprise (GSE) notes	499,385	500,123	738
Total investments	$2,907,452	$2,904,010	$ (3,442)

Certificates of deposit are not actively traded and are valued at the contracted price. GSE notes owned by the Corporation are valued using Level 2 inputs in active markets that are indirectly observable as defined under the fair value measurement criteria (see Note 2).

Net investment gains (losses), which are included in investment income in the accompanying consolidating statements of activities, were as follows:

	2010	2009
Net unrealized gains	$ 3,442	$ 3,919
Net realized losses	(5,440)	(8,167)
	$(1,998)	$(4,248)

The Corporation generally holds these securities from the purchase date until maturity. Realized losses on investments are due to the Corporation purchasing fixed income instruments at a premium or discount and selling them at face value upon maturity. The premium or discount on the Corporation's fixed income instruments is not material.

(3) INVESTMENTS (Continued)

Program-Related Equity Investments – BCLF Ventures, LLCs

BCLF Ventures, LLCs, had made the following program-related equity investments (see Note 1), all in companies in Massachusetts as of December 31:

2010 Ventures I, LLC	Number of Investee Companies	Investment Principal	Net Appreciation (Depreciation)	Allowance For Impairment	Investment Balance
Investments carried at cost	1	$ 50,000	$ -	$ -	$ 50,000
Appreciated investments	1	500,000	6,050,928	-	6,550,928
Depreciated investments	1	477,204	(326,853)	-	150,351
Impaired investments	1	700,000	-	(700,000)	-
Balance, December 31, 2010	4	$ 1,727,204	$5,724,075	$ (700,000)	$ 6,751,279
Ventures II, LLC					
Appreciated investments	4	$ 6,483,310	$4,038,171	$ -	$10,521,481
Impaired investments	2	1,634,340	-	(1,634,340)	-
Balance, December 31, 2010	6	$ 8,117,650	$4,038,171	$(1,634,340)	$10,521,481
Totals		$ 9,844,854	$9,762,246	$(2,334,340)	$17,272,760

2009 Ventures I, LLC	Number of Investee Companies	Investment Principal	Net Appreciation (Depreciation)	Allowance For Impairment	Investment Balance
Investments carried at cost	1	$ 50,000	$ -	$ -	$ 50,000
Appreciated investments	1	500,000	4,101,421	-	4,601,421
Depreciated investments	2	777,195	(514,812)	-	262,383
Impaired investments	1	700,000	-	(700,000)	-
Balance, December 31, 2009	5	$ 2,027,195	$3,586,609	$ (700,000)	$ 4,913,804
Ventures II, LLC					
Investments carried at cost	1	$ 1,433,900	$ -	$ -	$ 1,433,900
Appreciated investments	3	5,049,410	3,093,208	-	8,142,618
Depreciated investments	1	987,603	(656,855)		330,748
Impaired investments	2	1,634,340	-	(1,634,340)	-
Balance, December 31, 2009	7	$ 9,105,253	$2,436,353	$(1,634,340)	$ 9,907,266
Totals		$11,132,448	$6,022,962	$(2,334,340)	$14,821,070

(3) **INVESTMENTS** (Continued)

Program-Related Equity Investments – BCLF Ventures, LLCs (Continued)

The following table presents the program-related equity investments by level within the valuation framework as of December 31:

2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Ventures I, LLC	$ -	$150,351	$ 6,600,928	$ 6,751,279
Ventures II, LLC	$ -	$ -	$10,521,481	$10,521,481
2009				
Ventures I, LLC	$ -	$161,916	$ 4,751,888	$ 4,913,804
Ventures II, LLC	$ -	$ -	$ 9,907,266	$ 9,907,266

Management values Level 2 program-related equity investments using quoted prices of identical assets in a security exchange which is not an active market. As indicated above, management values most program-related equity investments using unobservable, or Level 3, inputs. These inputs include the consideration of recently occurring external events with independent parties, as well as a variety of valuation techniques based on multiples of earnings or revenues and hypothetical sale or liquidation scenarios.

A reconciliation of the Level 3 program-related equity investment activity for 2010 and 2009 follows:

	Ventures I, LLC	**Ventures II, LLC**
December 31, 2008	$3,611,798	$ 9,296,597
Purchase of investments	-	183,050
Unrealized appreciation	1,390,213	427,619
Impairment loss	(250,123)	-
December 31, 2009	4,751,888	9,907,266
Unrealized appreciation	1,949,507	944,963
Impairment loss	(100,467)	(330,748)
December 31, 2010	$6,600,928	$10,521,481

During 2010, Ventures I and II, LLC recognized impairment losses of $100,467 and $330,748 relating to investments in one investee company which was sold during the year. As a result of the sale, the value of Ventures I and II, LLC's investments were completely impaired. During 2009, Ventures I, LLC recognized an impairment loss of $250,123 relating to an investment in one investee company which discontinued business during the year (see Notes 4 and 5). There were no additional known or expected impairments in the BCLF Ventures, LLCs as of December 31, 2010 and 2009.

(3) INVESTMENTS (Continued)

Program-Related Equity Investments – BCLF Ventures, LLCs (Continued)

One company represents approximately 97% and 94% of Ventures I, LLC's total program-related equity investments as of December 31, 2010 and 2009, respectively.

Two corporations represent approximately 63% and 66% of Ventures II, LLC's total program-related equity investments as of December 31, 2010 and 2009, respectively.

(4) INVESTMENTS IN AFFILIATES

BCLF Ventures, LLCs

The financial statements of BCLF Ventures, LLCs are included in the accompanying consolidating financial statements (see Notes 1 and 2). Summarized individual financial statements as of and for the years ended December 31, 2010 and 2009, for BCLF Ventures, LLCs, are as follows:

	2010		
Balance Sheets	**Ventures I, LLC**	**Ventures II, LLC**	**Total**
Cash and cash equivalents	$ 34,462	$ 30,861	$ 65,323
Loans and interest receivable	887,004	702,015	1,589,019
Program-related equity investments	6,751,279	10,521,481	17,272,760
Total assets	$7,672,745	$11,254,357	$18,927,102
Accounts payable	$ 150,900	$ 1,140,392	$ 1,291,292
Affiliate loans payable	-	202,516	202,516
Members' investment	7,521,845	9,911,449	17,433,294
Total liabilities/members' investment	$7,672,745	$11,254,357	$18,927,102
Statements of Operations			
Interest and other investment income	$ 297,712	$ 58,812	$ 356,524
Operating expenses	180,975	538,370	719,345
Operating gain (loss)	116,737	(479,558)	(362,821)
Other investment activity:			
Net unrealized gain on program-related equity investments	1,937,942	944,963	2,882,905
Impairment loss on program-related equity investments and loan and interest receivable	(207,965)	(438,318)	(646,283)
Comprehensive net income	$1,846,714	$ 27,087	$ 1,873,801

(4) INVESTMENTS IN AFFILIATES (Continued)

BCLF Ventures, LLCs (Continued)

Balance Sheets	2009 Ventures I, LLC	2009 Ventures II, LLC	2009 Total
Cash and cash equivalents	$ 71,505	$ 58,337	$ 129,842
Loans and interest receivable	696,816	750,890	1,447,706
Program-related equity investments	4,913,804	9,907,266	14,821,070
Total assets	$5,682,125	$10,716,493	$16,398,618
Accounts payable	$ 6,994	$ 645,384	$ 652,378
Affiliate loans payable	-	186,747	186,747
Members' investment	5,675,131	9,884,362	15,559,493
Total liabilities/members' investment	$5,682,125	$10,716,493	$16,398,618
Statements of Operations			
Interest and other investment income	$ 108,917	$ 111,833	$ 220,750
Operating expenses	232,130	533,384	765,514
Operating loss	(123,213)	(421,551)	(544,764)
Other investment activity:			
Net unrealized gain on program-related equity investments	1,288,230	427,619	1,715,849
Impairment loss on program-related equity investments and loan and interest receivable	(324,378)	-	(324,378)
Comprehensive net income	$ 840,639	$ 6,068	$ 846,707

As of December 31, 2010 and 2009, the BCLF Ventures, LLCs were capitalized as follows:

2010	Ventures I, LLC	Ventures II, LLC	Total
Manager member - Venture Fund	$ 75,218	$ 99,114	$ 174,332
Regular members:			
Venture Fund	3,715,519	898,599	4,614,118
Other members	3,731,108	8,913,736	12,644,844
Sub-total regular members	7,446,627	9,812,335	17,258,962
Total capital	$7,521,845	$9,911,449	$17,433,294

(4) INVESTMENTS IN AFFILIATES (Continued)

BCLF Ventures, LLCs (Continued)

2009	Ventures I, LLC	Ventures II, LLC	Total
Manager member - Venture Fund	$ 56,751	$ 98,844	$ 155,595
Regular members:			
Venture Fund	2,444,071	896,159	3,340,230
Other members	3,174,309	8,889,359	12,063,668
Sub-total regular members	5,618,380	9,785,518	15,403,898
Total capital	$5,675,131	$9,884,362	$15,559,493

Original members' capital contributions were $5,030,000 and $16,500,000 for Ventures I, LLC and Ventures II, LLC, respectively.

Activity related to the Venture Fund's investment in these entities, which is recorded on the equity method (see Note 1), is as follows:

	Ventures I, LLC	Ventures II, LLC	Total
Net investment, December 31, 2008	$1,944,522	$ 994,396	$ 2,938,918
Share of gain	556,300	607	556,907
Net investment, December 31, 2009	2,500,822	995,003	3,495,825
Share of gain	1,289,915	2,710	1,292,625
Net investment, December 31, 2010	$3,790,737	$ 997,713	$ 4,788,450

Cost Method Investments Eliminated in Consolidation

The Venture Fund's investment in Aura Mortgage (see Note 1), which it carries on the cost method of accounting (see Note 2), was $1,170,000 and $1,070,000 as of December 31, 2010 and 2009, respectively, and has been eliminated in the accompanying consolidating financial statements. During 2010 and 2009, the Venture Fund made capital contributions of $100,000 and $290,000, respectively, to Aura Mortgage to support its mortgage activities.

The Holding Company's investments in NSP and SEA are also carried on the cost method (see Note 2). The investments totaling $4,200,000 ($3,400,000 in NSP and $800,000 in SEA) and $3,900,000 ($3,100,000 in NSP and $800,000 in SEA) as of December 31, 2010 and 2009, respectively, have been eliminated in the accompanying consolidating financial statements.

(4) INVESTMENTS IN AFFILIATES (Continued)

CDE LLCs

The consolidating financial statements do not include the financial statements of the CDE LLCs (see Notes 1 and 2). Managed Assets will not maintain a significant membership interest in these entities and accounts for them using the cost method.

As of December 31, 2010 and 2009, Managed Assets had the following amounts invested in the CDE LLCs:

	2010	2009
BCC NMTC CDE I, LLC	$ 2,844	$ 2,844
BCC NMTC CDE II, LLC	892	892
BCC NMTC CDE III, LLC	575	575
BCC NMTC CDE IV, LLC	2,137	2,137
BCC NMTC CDE V, LLC	551	551
BCC NMTC CDE VI, LLC	4,421	4,421
BCC NMTC CDE VII, LLC	15,805	15,805
BCC NMTC CDE VIII, LLC	8,502	-
BCC NMTC CDE IX, LLC	7,500	-
	$43,227	$27,225

(5) LOANS AND INTEREST RECEIVABLE

Loan Fund

Portfolio Lending

The Loan Fund offers a variety of loan products of both short and long-term maturity. The Loan Fund offers term loans, as well as revolving and non-revolving lines of credit, for the following purposes:

Site acquisition: for acquisition of property for development, whether for commercial or housing developments.

Construction: for construction or rehabilitation of residential (single family and multi-family) and commercial properties.

Permanent: for long-term financing for newly constructed or rehabilitated or existing multi-family housing, community facilities or commercial real estate.

Organizational: for organizational capacity building, recapitalization and/or providing operating capital.

Predevelopment: for financing the upfront cost of real estate development projects prior to construction, such as for permitting, design and due diligence.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Loan Fund (Continued)

Portfolio Lending (Continued)

Loans receivable bear interest at rates ranging from approximately three to ten percent (3% - 14%) and mature at various dates through 2042. Borrowers generally include nonprofit community organizations, private developers, and businesses which benefit low-income individuals and communities. Loans receivable are generally made in connection with affordable housing and community development projects and are primarily collateralized by first or second mortgages on the property of the borrower. The Loan Fund also has some loans secured through third mortgages, all assets of the borrower, cash held by the lender or other forms of collateral. The Corporation's five largest outstanding loans receivable were approximately 32% and 33% of the portfolio as of December 31, 2010 and 2009, respectively.

The Loan Fund's loans, as described above, are as follows at December 31:

	2010		2009	
Type	Number Of Loans	Net Loan Amount	Number Of Loans	Net Loan Amount
Site acquisition	25	$24,133,138	26	$20,005,718
Construction	35	23,137,474	38	17,975,694
Permanent	25	19,160,932	21	15,299,299
Organizational	11	8,887,085	12	8,931,324
Predevelopment	10	6,536,447	7	5,601,077
	106	81,855,076	104	67,813,112
Interest receivable on above loans		467,258		745,126
		$82,322,334		$68,558,238

Loans receivable of the Loan Fund are presented net of third party loan participations of $42,676,824 and $48,915,941 as of December 31, 2010 and 2009, respectively. All loan participations qualify as loan sales in accordance with the U.S. GAAP criteria for *Accounting for Transfers of Financial Assets and Extinguishments of Liabilities.*

The majority of the Loan Fund's loans receivable are secured by real estate holdings in Massachusetts and could be affected by adverse real estate markets in the state.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Loan Fund (Continued)

Portfolio Lending (Continued)

The Loan Fund had committed approximately $14,700,000 and $17,700,000 of current assets (cash, cash equivalents and short-term investments) for future disbursements on existing loan commitments and lines of credit to unrelated borrowers as of December 31, 2010 and 2009, respectively. The Loan Fund also committed approximately $5,000,000 and $10,000,000 of current assets for loan and line of credit commitments to SEA and SUN Financing (see Notes 1 and 8), respectively, to support their programs. During 2010, SUN Financing drew down and repaid $2,582,394 under this agreement and paid $9,146 of interest to the Loan Fund (see Note 8). During 2010, SEA drew down $812,000 under the agreement and paid $1,802 of interest to the Loan Fund (see page 32). The Corporation has liquidity management policies and procedures to manage the timing of expected disbursements on these loans. Among the tools available to manage liquidity are lines of credit with financial institutions (see Note 8), as well as the potential to initiate loan sales and loan participation agreements with lending partners.

The Loan Fund also has a non-expiring loan guarantee agreement with the United States Department of Agriculture (USDA). The guarantee is intended to strengthen the Loan Fund's ability to finance loans to businesses in rural areas and thus stimulate economic growth in these areas. As of December 31, 2010, there is a guarantee of $4,600,000 for one loan under this agreement. During 2010 and 2009, the Loan Fund has not received any amounts under this agreement.

Special Tax-Credit Lending

As of December 31, 2010 and 2009, the Loan Fund had entered into ten and four arrangements, respectively, to act as the non-profit intermediary to improve the economic value of Massachusetts historic and state low-income tax credits of several projects. The Loan Fund received a donation of tax credits from each project's sponsor and made a loan to the respective entity from the proceeds of the Loan Fund's resale of the credits to an outside investor. Each loan is a non-interest bearing note with various maturity dates through December 18, 2045. As part of each arrangement, the Loan Fund received fees ranging from .4% to .5% of the total loan amount. These fees are included in program revenue and fees in the accompanying consolidating statements of activities and amount to $238,317 and $80,774, for 2010 and 2009, respectively. Total outstanding principal balances are $92,169,990 and $29,049,436 as of December 31, 2010 and 2009, respectively. These loans have specific restrictions surrounding their use and due to their long-term deferred nature and likelihood of collectibility, the notes are fully reserved at December 31, 2010 and 2009.

Managed Assets

Managed Assets purchased from two financial institutions, thirteen mortgage loans receivable from a nonprofit organization with a total initial principal balance of $4,200,858. Managed Assets collected twelve of the thirteen mortgage loans receivable. The remaining loan is secured by residential properties, due in monthly installments of principal and interest, bears interest at 6.25%, and matures in January, 2033.

BCLF Ventures, LLCs

Loans receivable of BCLF Ventures, LLCs consist of unsecured notes receivable from companies in which BCLF Ventures, LLCs have also made program-related equity investments (see Note 3).

(5) LOANS AND INTEREST RECEIVABLE (Continued)

BCLF Ventures, LLCs (Continued)

Loans and interest receivable are as follows as of December 31:

2010	BCLF Ventures I, LLC	BCLF Ventures II, LLC	Total
Number of companies	2	2	
Number of notes	2	3	
Interest rates	5% - 10%	prime - 5%	
Loan principal	$ 729,620	$ 807,822	$ 1,537,442
Interest receivable	264,882	259,350	524,232
Less - impaired loan and interest receivable	(107,498)	(365,157)	(472,655)
	887,004	702,015	1,589,019
Less - current portion	(239,385)	(702,015)	(941,400)
Non-current portion	$ 647,619	$ -	$ 647,619
2009			
Number of companies	2	2	
Number of notes	2	3	
Interest rates	5% - 10%	prime - 5%	
Loan principal	$ 529,808	$ 807,822	$ 1,337,630
Interest receivable	167,008	200,655	367,663
Less - impaired loan and interest receivable	-	(257,587)	(257,587)
	696,816	750,890	1,447,706
Less - current portion	(696,816)	(750,890)	(1,447,706)
Non-current portion	$ -	$ -	$ -

The prime rate related to the above notes was 3.25% as of December 31, 2010 and 2009.

During 2010, $107,498 and $107,570 of loans receivable and related interest became impaired in BCLF Ventures I and II, LLC, respectively. These amounts are included in impairment loss on program-related equity investments and loan and interest receivable in the accompanying consolidating statement of activities.

During 2008, a favorable judgment was awarded to BCLF Ventures I, LLC as a result of a litigation claim filed in 2006 against one borrower for the value of the loan, unpaid interest and legal fees. The judgment ordered the company to repay this amount in full. However, during 2009, the company discontinued its operations and liquidated its assets and liabilities. BCLF Ventures I, LLC did not receive repayment of loans and interest receivable as a result of the company's liquidation process. As a result, BCLF Ventures I, LLC recognized impairment losses on the program-related equity investments loan and interest receivable of $250,123 and $74,255, respectively (see Notes 3 and 4) in 2009.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Foreclosure and Home Mortgage Services

Aura Mortgage issued thirty-one and eleven mortgage loans receivable in 2010 and 2009, respectively, thirty-seven of which were sold to SUN Financing in 2010. Twenty-nine of thirty-one properties financed by Aura Mortgage in 2010 were purchased by the borrowers from NSP in the total amount of $5,365,085. Nine of the eleven properties financed by Aura Mortgage in 2009 were purchased by the borrowers from NSP in the amount of $1,330,580.

Because of the inherent risk in the mortgage loans issued, for accounting purposes, Aura Mortgage significantly discounts the principal value of the mortgages upon closing. Discounts are applied based on the perceived risk of individual loans up to 20%. The provision associated with this discount amounted to $1,122,036 and $357,153 in 2010 and 2009, respectively, but has been netted in the accompanying financial statements with the gain on sale of the residences realized by NSP, which it transferred to Aura Mortgage upon sale of the property. NSP generally sells the property at a profit equal to the loan discount applied by Aura Mortgage.

In 2010, Aura Mortgage was awarded a $1.5 million contract from the Commonwealth of Massachusetts to fund loan loss reserves and a portion of its administrative costs. Aura Mortgage received $331,309 of this award in 2010, which is included in grants and contributions in the accompanying consolidating statement of activities for the year ended December 31, 2010, including $306,461 related to loan loss reserves for qualifying loans receivable that were subsequently sold to SUN Financing. This cash amount of $306,461 was transferred to SUN Financing at the time of the loan sale. The remaining amount of this contract is expected to be collected upon Aura Mortgage issuing qualifying loans and submitting reports to the state in future years and will be recorded when the funds are drawn. Aura Mortgage received an additional $199,452 of this award in January, 2011.

At December 31, 2009, Aura Mortgage held eleven mortgage loans receivable from low-income individuals in Massachusetts, totaling $1,904,422. Ten of these loans were sold to SUN Financing during 2010.

At December 31, 2010, Aura Mortgage holds five mortgage loans receivable to low-income individuals in Massachusetts, totaling $897,072. These loans bear interest at rates ranging from 6.12% - 7.5% and mature at various dates through 2040. Monthly payments of principal and interest are due in amounts between $180 and $1,909.

During 2010, SUN Financing purchased, at net book value, thirty-seven of the mortgage loans issued by Aura Mortgage for $6,059,750, net of a loan loss reserve of $1,351,140. These loans bear interest at rates ranging from 5.75% - 6.5% and mature at various dates through 2040. Substantially, all loans receivable are secured by first mortgages on residential property. Monthly payments of principal and interest are due in amounts between $225 and $1,911.

Aura Mortgage and SUN Financing's loans receivable are secured by residential real estate holdings in Massachusetts and could be affected by adverse real estate markets in the state.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Maturities

Maturities of the remaining loans receivable as of December 31, 2010, are as follows:

Year	Loan Fund	Managed Assets	SUN Financing	Aura Mortgage	Total
2011	$25,845,637	$ 1,325	$ 94,858	$ 10,643	$25,952,463
2012	21,534,120	1,365	101,217	11,346	21,648,048
2013	6,255,721	1,405	107,664	12,097	6,376,887
2014	4,240,028	1,445	114,523	12,897	4,368,893
2015	10,074,347	1,485	121,820	13,751	10,211,403
Thereafter	14,372,481	52,629	6,812,089	836,338	22,073,537
	82,322,334	59,654	7,352,171	897,072	90,631,231
Adjustment for deferred loan fees (see Note 2)	(264,574)	-	-	-	(264,574)
Less - allowance for loan losses (see Note 6)	(4,131,822)	-	(1,351,140)	(128,049)	(5,611,011)
Net loans receivable	$77,925,938	$59,654	$ 6,001,031	$ 769,023	$84,755,646

Affiliate Loans

As of December 31, 2010 and 2009, the Loan Fund loaned $2,300,000 of the proceeds of the permanent loan capital - subordinated loans payable (see Note 9) to the Venture Fund to finance a portion of the Venture Fund's investments in BCLF Ventures I, LLC and BCLF Ventures II, LLC (see Note 4). The Venture Fund has also borrowed $100,000 as of December 31, 2010 and 2009 from the Holding Company for the same purpose. As of December 31, 2010 and 2009, the Loan Fund also loaned $3,000,000 of the permanent loan capital – subordinated loans payable to SEA to finance a portion of SEA's solar energy projects (see Note 7). These intercompany loans bear interest at three percent, payable quarterly, are unsecured and mature between 2018 and 2020. Interest on these borrowings totaled $159,000 in 2010 and 2009.

In addition, in 2010, SEA drew $812,000 on the $5,000,000 line of credit it has with the Loan Fund to finance a portion of certain assets of SEA (see page 29). This intercompany loan bears interest at six percent, payable quarterly, and is secured by first priority pledge and assignment of certain SEA assets and contracts related to these assets. These borrowings are included in affiliate loans receivable in the accompanying combining statement of financial position. The loan payable matures in August, 2012. Subsequent to December 31, 2010, $625,000 of this amount has been converted to permanent financing in accordance with the agreement.

In 2009, Managed Assets loaned BCLF Ventures II, LLC a total of $175,821 under two unsecured notes to obtain an additional program-related equity investment in one of its investee companies (see Note 3). The notes accrue interest at 8% and mature on July 31, 2011, at which time all accrued interest is also due. The principal of these notes, plus $26,695 and $10,926 of accrued interest as of December 31, 2010 and 2009, respectively, are included in BCLF Ventures, LLCs' current portion of affiliate loans and fee receivable and affiliate loans payable in the accompanying consolidating statements of financial position as of December 31, 2010 and 2009.

In 2010, Managed Assets made loans in the amount of $426,723 to Aura Mortgage for operating costs. These obligations do not have formal terms, though the intention is to reimburse the amounts due to Managed Assets. The amounts due to Managed Assets have been eliminated in consolidation.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Affiliate Loans (Continued)

In December, 2010, the Holding Company loaned WegoWise (see Note 1) funds under two convertible note agreements. The notes accrue interest at 8% and mature on October 31, 2011. The principal of these notes, plus accrued interest as of December 31, 2010, is included in current portion of affiliate loans receivable in the accompanying consolidating statement of financial position as of December 31, 2010. The notes contain a conversion option whereas the Holding Company may convert at any time prior to the maturity date all outstanding principal and accrued interest into non-assessable shares of WegoWise capital stock. Any fractional shares upon conversion will be paid in cash. As of December 31, 2010, the Holding Company has not converted any outstanding principal or interest on the notes.

During 2010, the Holding Company's share of WegoWise's (see Note 1) losses exceeded the initial cost of its investment. The additional losses have been recorded as a reduction in the carrying value of the loan receivable. The carrying value of the affiliate loan and interest receivable as of December 31, 2010, is as follows:

Outstanding loan receivable principal balance	$ 500,000
Accrued interest	16,628
Accumulated share of losses of WegoWise in excess of original investment	(328,254)
Net affiliate loan receivable	$ 188,374

In the accompanying consolidating statement of financial position at December 31, 2010, affiliate loans and fee receivable consist of the following:

Managed Assets receivable from NMTC delayed sub-allocation fees (see Note 1)	$13,335,266
Holding Company net receivable from WegoWise (see above)	188,374
Total net affiliate loan receivable	$13,523,640

In addition, the following inter-company loans receivable are eliminated in the accompanying consolidating statement of financial position at December 31, 2010:

Loan Fund receivable from SEA (see page 32)	$3,000,000
Loan Fund receivable from Venture Fund (see page 32)	2,300,000
Loan Fund receivable from SEA (see page 32)	812,000
Managed Assets receivable from SEA	505,228
Managed Assets receivable from Aura Mortgage	426,723
Managed Assets receivable from Venture Fund	400,000
Managed Assets receivable from BCLF Ventures II, LLC	202,516
Holding Company receivable from Venture Fund	100,000
Total affiliate loans and fee receivables eliminated	$7,746,467

(6) ALLOWANCE FOR LOAN LOSSES AND LOAN LOSS RESERVES

Loan Fund

Loan loss reserves is the term used by the Loan Fund and certain investors to refer to the balance of loan loss allowances plus otherwise unrestricted net assets which have been designated by the Board of Directors as a hedge against potential loan losses. Covenants with certain significant investors require the Loan Fund to maintain loan loss reserves equal to at least 5% of loans receivable of the Loan Fund. The Loan Fund's loan loss reserves consist of the following as of December 31:

	2010	2009
Allowance for loan losses (see below)	$4,131,822	$3,136,080
Board designated net assets for loan loss reserves (see Note 2)	2,886,839	2,331,898
	$6,998,661	$5,467,978

An allowance for loan losses is an estimate of expected loan losses expressed as a reduction of the carrying value of loans receivable (see Note 5). The loan loss allowance is based on expected losses as determined under the Loan Fund's risk rating system (see Note 2). In addition, the Loan Fund's Board of Directors designates unrestricted net assets as loan loss reserves so that the sum of the loan loss allowance and designated unrestricted net assets equals at least 5% of total loans receivable of the Loan Fund.

The loan loss allowance, which has been allocated proportionally to the long-term and current portions of the loan portfolio in the accompanying consolidating financial statements, consists of the following:

	2010	2009
Balance, beginning of year	$3,136,080	$2,014,810
Loan loss provision	995,742	1,097,271
Adjustment for non-accrual loans receivable	-	23,999
Balance, end of year	$4,131,822	$3,136,080

Foreclosure and Home Mortgage Services

Aura Mortgage's allowance for loan losses of $1,479,189 ($1,351,140 of which was transferred to SUN Financing) and $357,153 for 2010 and 2009, respectively, reduces the reported loan values, but results in no provision for loan losses in the accompanying consolidating statements of activities (see Note 5). When loans receivable are sold by Aura Mortgage to SUN Financing, the related allowance for loan losses is also transferred to SUN Financing.

(7) PROPERTY AND EQUIPMENT

Holding Company

Property and equipment as of December 31, 2010 and 2009, are as follows:

	2010	2009
Computer equipment	$232,201	$229,268
Office equipment	109,664	91,533
Leasehold improvements	87,839	80,070
	429,704	400,871
Less - accumulated depreciation	339,678	288,469
	$ 90,026	$112,402

SEA

As of December 31, 2010 and 2009, SEA substantially completed construction of solar panel projects at twelve and seven complexes, respectively, in Massachusetts. Of these projects, eight and seven projects were placed into service as of December 31, 2010 and 2009, respectively. In connection with these developments, SEA received financial support in the form of grant proceeds of the Holding Company's Energy Advantage Program grant (see Note 2), rebates from the Massachusetts Renewable Energy Trust (MRET rebates), and Federal Payments for Specified Energy Property in Lieu of Tax Credits under Section 1603 of the American Recovery and Reinvestment Act of 2009 (Section 1603 payments), all of which have reduced the cost of the solar energy equipment for depreciation purposes (see Note 2), as follows:

	2010	2009
Solar energy panels and installation	$13,234,913	$11,149,785
Less - MRET rebates and Section 1603 Payments	(5,166,964)	(4,806,097)
Less - EAP grants received from Holding Company (see Note 2)	(3,775,000)	(3,775,000)
Depreciable cost basis	4,292,949	2,568,688
Less - accumulated depreciation	(344,183)	(129,016)
	$ 3,948,766	$ 2,439,672

There are specific recapture provisions associated with the MRET rebates and Section 1603 payments. SEA was in compliance with these provisions as of December 31, 2010 and 2009. Management expects to maintain compliance throughout the five year recapture period applicable to these projects.

The Holding Company has acted as a developer for all the solar energy projects owned and operated by SEA to date. The Holding Company earned $32,356 and $1,391,978 in 2010 and 2009, respectively for these services. These fees have not been eliminated in the accompanying consolidating financial statements since they were paid substantially by third party grant and rebate payments.

(7) **PROPERTY AND EQUIPMENT** (Continued)

SEA (Continued)

SEA has signed power purchase and host agreements with the host of each of the solar panel projects. Each agreement obligates the host to buy the power produced by its solar panel project, for which SEA bills the host monthly at a rate per kilowatt hour of energy specified in the agreement. The related revenue for 2010 and 2009 of approximately $237,000 and $135,000, respectively, is included in program revenue and fees on the accompanying consolidating statements of activities. The host may terminate each agreement on the eighth or fourteenth anniversary of the operation date provided that the host pays SEA an early buyout purchase price for the solar panel project. The host can also buy the solar panel project on the agreement expiration date, which is twenty years from the operation date of the solar panel project.

SEA earns Renewable Energy Certificates (RECs) under the Commonwealth of Massachusetts' Renewable Portfolio Standard program for the production of energy through the solar energy projects. In 2009, SEA entered into transaction agreements with two utility companies to sell specified amounts of RECs at specified rates to these companies for specified time periods. The related revenue for 2010 and 2009 of approximately $129,000 and $26,000, respectively, is included in program revenue and fees on the accompanying consolidating statements of activities. SEA is obligated to sell certain amounts of RECs to one of the utility companies from 2010 through 2012. If SEA does not provide the specified quantity of RECs as described in the agreements, SEA would be obligated to reimburse the utility companies for any additional costs paid to obtain substitute RECs over the agreed upon price.

Foreclosure and Home Mortgage Services

NSP

In connection with activities of NSP, foreclosed and other residential properties in low-income communities are purchased, rehabilitated and held for resale, with the intent that they be resold to the original owner. The value of all the NSP properties, not including the properties on which interests are held by SUN Financing (see below), was $467,542 and $990,855 as of December 31, 2010 and 2009, respectively. As of December 31, 2010, NSP has offers outstanding on four additional properties.

For the properties purchased by NSP and then sold to individuals through a mortgage loan, NSP holds shared appreciation agreements with each borrower. NSP holds approximately forty shared appreciation notes that provide that NSP is entitled to a specified share of the proceeds less the original contract sales price on any potential future sale of these properties as outlined in these agreements.

NSP also has $15,702 of office improvements and equipment as of December 31, 2010, which is net of accumulated depreciation of $2,532.

SUN Financing's Interests in Real Property held by NSP

During 2010, SUN Financing provided funding for certain housing units held by NSP. Five of these units, totaling to $569,513, are being held as rental properties, and nine of these units, totaling to $1,432,119, are being held as properties held for sale under rent-to-buy arrangements as of December 31, 2010. Eight of the properties held for sale totaling to $1,280,442 are reflected as current portion of property and equipment, net in the accompanying consolidating statement of financial position at December 31, 2010, because management expects that they will be sold in 2011.

(7) PROPERTY AND EQUIPMENT (Continued)

SUN Financing's Interests in Real Property held by NSP (Continued)

Total interests in property and equipment and net property and equipment as of December 31, 2010 and 2009, consists of the following:

	2010	2009
Holding Company office	$ 90,026	$ 112,402
SEA solar energy equipment	3,948,766	2,439,672
NSP real estate holdings	467,542	990,855
NSP office	15,702	-
SUN Financing's interest in real property	2,001,632	-
	$6,523,668	$3,542,929

(8) LOANS PAYABLE

Loan Fund

Loans payable of the Loan Fund represent loans by approximately 290 lenders ("investors") in principal amounts ranging from $2,000 to $10,000,000. Loans payable bear interest at rates ranging from 0% to 5.25%, payable at varying initial maturities of one to ten years through 2018. In the ordinary course of operations, the Loan Fund may negotiate extensions of maturity with many investors. Loans payable of the Loan Fund are unsecured with recourse to the general assets of the Loan Fund.

The Corporation has available three lines of credit with financial institutions. The Corporation has an unsecured revolving line of credit for a maximum of $50,000,000, with $38,000,000 of this amount being participated out to other financial institutions. The interest rate on this line is a 30-day London Inter-Bank Offered Rate (LIBOR), plus 3% (3.26% and 3.23% at December 31, 2010 and 2009, respectively). As of December 31, 2010, $10,650,000 was outstanding under this agreement. There were no amounts outstanding under this agreement as of December 31, 2009. The line of credit expires in 2012.

The Corporation also had a $4,000,000 unsecured revolving line of credit with the Federal National Mortgage Association (FNMA), which was renewed through June, 2010. Outstanding advances under this line of credit bore interest at FNMA's five-year cost of funds, plus 25 basis points (4.38% at December 31, 2009). As of December 31, 2009, $4,000,000 was outstanding under this agreement. During 2010, the line of credit with FNMA was repaid and the line of credit was not renewed.

The Corporation entered into a $15,000,000 unsecured non-revolving line of credit with a financial institution, which expires in December, 2016. Outstanding advances under this line of credit bear interest at the financial institution's seven-year cost of funds, plus 125 basis points on the date of the draw. Proceeds from this line of credit are to be used only to finance qualifying New Markets Tax Credit loans in certain states. During 2010 and 2009, $10,780,000 and $7,780,000 were outstanding on this line of credit, respectively. Funds advanced under these draws bear interest at rates ranging from 3.24% to 4.26%. The interest rates are locked-in on the specific date of each draw. The Corporation also entered into a $5,000,000 unsecured revolving line of credit with the same financial institution, which expires in December, 2011. Outstanding advances under this line of credit bear interest at 4% at December 31, 2010 and 2009. There was $500,000 outstanding under this agreement as of December 31, 2010 and 2009.

(8) LOANS PAYABLE (Continued)

Loan Fund (Continued)

The above loans payable and lines of credit require the Corporation to maintain certain financial ratios and other covenants as specified in the agreements. As of December 31, 2010 and 2009, the Corporation was in compliance with these covenants. The balance of loans payable of the Loan Fund were as follows as of December 31:

	2010	2009
Lines of credit	$21,930,000	$12,280,000
Other loans payable	42,724,743	40,993,239
	$64,654,743	$53,273,239

Foreclosure and Home Mortgage Services – SUN Financing

In December, 2009, SUN Financing entered into a Note Purchase Agreement with the Loan Fund as the original purchaser and with additional outside purchasers. Under this agreement, SUN Financing is able to sell notes representing the purchasers' commitments to make advances to SUN Financing from time-to-time in the aggregate principal amount of $50,000,000.

In December, 2009, SUN Financing entered into an initial unsecured note with the Loan Fund, as original purchaser, under the Note Purchase Agreement. Under this note, the Loan Fund made a commitment to make advances to SUN Financing from time-to-time in the aggregate principal amount of $10,000,000. During 2010, SUN Financing drew, and repaid, $2,582,394 of advances under this agreement (see Note 5).

During 2010, SUN Financing entered into additional unsecured note payable agreements with thirty-seven additional purchasers, including both individuals and organizations, under the Note Purchase Agreement. Each note payable represents a commitment to make advances to SUN Financing from time-to-time in various aggregate principal amounts. The total amount advanced to SUN Financing under these additional notes payable as of December 31, 2010, is $12,035,000, which is reflected as loans payable on the accompanying consolidating statement of financial position. The principal amounts of the notes with the additional purchasers range from $25,000 to $5,000,000.

All notes payable under the Note Purchase Agreement bear interest at 4.25%, payable quarterly in arrears, and mature on May 30, 2015. SUN Financing is able to prepay any of the notes payable without penalty.

The Note Purchase Agreement requires SUN Financing to maintain certain covenants as specified in the agreement. As of December 31, 2010, SUN Financing was in compliance with these covenants.

In 2010, a foundation made a $5,000,000 loan commitment to the Corporation for the SUN Initiative (see Note 1). Management of the affiliated companies is working with the foundation to determine which of the affiliates will receive and recognize these funds in future years.

(8) LOANS PAYABLE (Continued)

Maturities

Maturities of all loans payable as of December 31, 2010, are as follows:

Year	Loan Fund	Foreclosure and Home Mortgage Services	Venture Fund	Total
2011	$ 4,944,303	$ -	$ -	$ 4,944,303
2012	18,500,381	-	-	18,500,381
2013	1,873,666	-	-	1,873,666
2014	9,984,237	-	-	9,984,237
2015	4,379,287	12,035,000	-	16,414,287
Thereafter	24,972,869	-	15,000	24,987,869
Total loans	$64,654,743	$12,035,000	$15,000	$76,704,743

The current maturities as of December 31, 2010 and 2009, include $537,983 and $342,909, respectively, of loan principal which has matured, but not been paid or formally extended. Management is negotiating extensions of these amounts.

(9) PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE

Permanent loan capital – subordinated loans payable consist of long-term subordinated loans payable of the Loan Fund (35 and 36 individual loans as of December 31, 2010 and 2009, respectively) from financial and other institutions bearing simple interest at rates between 2% and 4%. These loans have substantially the same terms including interest-only payments required annually until maturity (in 2020 and 2021). These loans are subordinate and junior to all other obligations of the Loan Fund.

Each loan was issued with an initial maturity of ten to twenty years. The initial maturity dates automatically extend by one year at the end of each of the first five years of the loans' terms. The final maturity dates may then be extended at their anniversary, indefinitely, based upon specified criteria in the loan terms and agreements of the Corporation and the lenders.

Principal maturities of subordinated loans payable are as follows:

2011	$ 46,082
2012	$ 47,013
2013	$ 47,962
2014	$ 47,931
2015	$ 49,917
Thereafter	$14,838,397

The Loan Fund has loaned $5.3 million of the proceeds of its permanent loan capital – subordinated loans payable to the Venture Fund and SEA (see Note 5). The remaining proceeds of $9,777,302 and $9,950,000 as of December 31, 2010 and 2009, respectively, have been held as permanent loan capital of the Loan Fund.

(10) LEASE AND OTHER COMMITMENTS

The Corporation has agreements to rent office space and parking in Roxbury, Massachusetts, which terminate June, 2014. The Corporation also has short-term lease agreements to rent additional office space in Roxbury, Massachusetts and Attleboro, Massachusetts related to the operation of Aura Mortgage. Under these leases, the Corporation is obligated to pay monthly rental payments and is also responsible for its share of utilities. For the Roxbury lease, the Corporation is also responsible for its share of real estate taxes. Total expense under these facility leases was $140,598 and $131,276 for 2010 and 2009, respectively, and is included in office operations in the accompanying consolidating statements of activities.

The Corporation has commitments for lease of office equipment and telecommunications and information technology services. These agreements require aggregate monthly operating payments of approximately $11,500 and expire at various dates through January, 2016. Future minimum payments for the next five years under all lease and other agreements are as follows:

2011	$138,407
2012	$ 99,881
2013	$115,331
2014	$121,438
2015	$121,438

(11) PENSION PLAN

The Corporation has adopted an Internal Revenue Code (IRC) Section 401(k) plan managed by an investment manager, which includes a Roth option. Employees may withhold contributions from their salaries on a tax-deferred basis within IRC limits. The Corporation provides a 100% match for all employee contributions up to 4% of their total wages not exceeding $205,000 annually. All employees age 21 and over are eligible to participate in the plan. Pension expense for 2010 and 2009 was $104,315 and $90,979, respectively, and is included in personnel in the accompanying consolidating statements of activities.

(12) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation discloses estimated fair values for its significant financial instruments. Because no ready market exists for a significant portion of the financial instruments, some fair values are based on management's estimates using the criteria of fair value measurements (see Note 2). These estimates are subjective in nature and involve uncertainties and matters of significant judgment.

The assumptions used by management assume normal market conditions and do not contemplate the effects of short-term turmoil in the financial markets. Changes in assumptions could significantly affect the estimates.

(12) FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following fair value estimates, methods and assumptions were used to estimate the fair value of each class of significant financial instruments, for which it is practical to estimate that value.

Cash and Cash Equivalents: The carrying amount of cash and cash equivalents approximates fair value.

Investments in Marketable Securities: The fair value of investments is based upon level 2 inputs, which are quoted prices from markets for similar assets (see Note 2).

Program-Related Equity Investments: The fair value of program-related equity investments is based upon both observable (Level 2) inputs and unobservable (Level 3) inputs, such as the consideration of recently occurring external events with independent parties, as well as a variety of valuation techniques based on multiples of earnings or revenues and hypothetical sale or liquidation scenarios (see Note 2).

Loans and Interest Receivable: The fair values of loans receivable in the portfolio have been determined by segregating fixed interest rate loans from adjustable interest rate loans. The fair values of fixed rate loans are calculated by discounting future cash flows through their weighted average months to maturity, using a weighted average interest rate for new financings within the Corporation's market. Loans with an adjustable interest rate tied to prime or some other floating rate move within the market and are considered by management to be at fair value.

Loans Payable: The fair values of loans payable are calculated by discounting cash flows through their weighted average months to maturity, using rates currently offered for new issuances within the Corporation's market.

Permanent Loan Capital - Subordinated Loans Payable - The carrying values of these note obligations are deemed to be a reasonable reflection of their fair values.

The following table summarizes carrying amounts and fair values for financial instruments at December 31:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$33,865,606	$33,865,606	$29,503,809	$29,503,208
Investments	$ 4,995,685	$ 4,995,685	$ 2,904,010	$ 2,904,010
Program-related equity investments	$17,272,760	$17,272,760	$14,821,070	$14,821,070
Loans and interest receivable, net	$86,344,665	$83,893,943	$68,382,229	$68,511,315
Loans payable	$76,704,743	$76,336,185	$53,288,239	$52,979,912
Permanent Loan Capital - Subordinated Loans Payable	$15,077,302	$15,077,302	$15,250,000	$15,250,000

(13) CONTINGENCIES

Government Regulation

Aura Mortgage is subject to review by the Division (see Note 1). Management does not believe that any review by the Division would have a material effect on the financial statements.

In order to maintain its licensed broker and lender status, Aura Mortgage is required to maintain a minimum net worth of $200,000 and must have two surety bonds filed with the state; a broker bond for $75,000 and a lender bond in the amount of $100,000 - $500,000, based on the dollar amount of loans closed in the prior year. Aura Mortgage's lender bond, as of December 31, 2010 and 2009, is for $100,000 and Aura Mortgage's broker bond, as of December 31, 2010 and 2009, is for $75,000. Aura Mortgage met these requirements as of December 31, 2010 and 2009.

Treasury Grant

In connection with the $750,000 grant that Aura Mortgage received from the Treasury in 2010 (see Note 1), Aura Mortgage is required to adhere to specific performance goals and requirements as outlined in the agreement with the Treasury through December, 2013. Failure to adhere to these requirements may result in discontinued Federal assistance from the Treasury, repayment of Federal assistance received and ineligibility to receive future funding.

(14) RECLASSIFICATIONS

Certain amounts in the 2009 consolidating financial statements have been reclassified to conform with the 2010 presentation.

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

COMBINING AND CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES										
ASSETS	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	SOLAR ENERGY ADVANTAGE, INC.	FORECLOSURE AND HOME MORTGAGE SERVICES	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:											
Cash and cash equivalents	$ 8,163,431	$ 8,850,056	$ 28,800	$ 77,480	$ 32,045	$ 2,050,224	$ -	$ 19,202,036	$ 65,323	$ -	$ 19,267,359
Cash and cash equivalents - escrow funds	4,613,788	5,240,893	-	-	-	187,105	-	10,041,786	-	-	10,041,786
Cash and cash equivalents - loan loss reserves	-	-	-	-	-	4,556,461	-	4,556,461	-	-	4,556,461
Short-term investments in marketable securities and certificates of deposit	-	102,595	-	-	-	3,010,737	-	3,113,332	-	-	3,113,332
Current portion of loans and interest receivable, net of allowance for loan losses of $2,083,862	24,126,932	1,325	-	-	-	105,501	-	24,233,758	941,400	-	25,175,158
Current portion of affiliate loans and fee receivable	-	3,385,791	-	188,374	-	-	(426,723)	3,147,442	-	(202,516)	2,944,926
Current portion of property and equipment, net	-	-	-	-	-	1,280,442	-	1,280,442	-	-	1,280,442
Grants and rebates receivable	-	-	-	100,000	221,720	-	-	321,720	-	-	321,720
Other current assets	84,950	43,590	1,291,284	93,641	256,434	194,475	-	1,964,374	-	(1,291,284)	673,090
Total current assets	36,989,101	17,624,250	1,320,084	459,495	510,199	11,384,945	(426,723)	67,861,351	1,006,723	(1,493,800)	67,374,274
INVESTMENTS IN MARKETABLE SECURITIES	1,882,353	-	-	-	-	-	-	1,882,353	-	-	1,882,353
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $3,999,804	53,799,006	58,329	-	-	-	6,664,553	-	60,521,888	647,619	-	61,169,507
AFFILIATE LOANS AND FEE RECEIVABLE, net of current portion	6,112,000	11,478,714	-	105,228	-	-	(7,117,228)	10,578,714	-	-	10,578,714
PROGRAM-RELATED EQUITY INVESTMENTS	-	-	-	-	-	-	-	-	17,272,760	-	17,272,760
INVESTMENTS IN AFFILIATES	-	43,227	5,958,450	4,200,000	-	-	(5,370,000)	4,831,677	-	(4,788,450)	43,227
PROPERTY AND EQUIPMENT, net	-	-	-	90,026	3,948,766	1,204,434	-	5,243,226	-	-	5,243,226
Total assets	$ 98,782,460	$ 29,204,520	$ 7,278,534	$ 4,854,749	$ 4,458,965	$ 19,253,932	$ (12,913,951)	$ 150,919,209	$ 18,927,102	$ (6,282,250)	$ 163,564,061
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS											
CURRENT LIABILITIES:											
Current portion of loans payable	$ 4,944,303	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,944,303	$ -	$ -	$ 4,944,303
Current portion of permanent loan capital - subordinated loans payable	46,082	-	-	-	-	-	-	46,082	-	-	46,082
Interest and accounts payable	370,327	7,667	-	503,128	57,110	245,958	-	1,184,190	1,291,292	(1,291,284)	1,184,198
Current portion of affiliate loans payable	-	-	-	-	-	426,723	(426,723)	-	202,516	(202,516)	-
Current portion of deferred revenue	-	1,905,038	-	-	-	-	-	1,905,038	-	-	1,905,038
Escrow funds	4,613,788	5,240,893	-	-	-	187,105	-	10,041,786	-	-	10,041,786
Total current liabilities	9,974,500	7,153,598	-	503,128	57,110	859,786	(426,723)	18,121,399	1,493,808	(1,493,800)	18,121,407
LOANS PAYABLE, net of current portion	59,710,440	-	15,000	-	-	12,035,000	-	71,760,440	-	-	71,760,440
AFFILIATE LOANS PAYABLE, net of current portion	-	-	400,000	-	1,317,228	-	(1,717,228)	-	-	-	-
DEFERRED REVENUE, net of current portion	-	10,742,133	-	-	-	-	-	10,742,133	-	-	10,742,133
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE, net of current portion	15,031,220	-	2,400,000	-	3,000,000	-	(5,400,000)	15,031,220	-	-	15,031,220
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:											
Unrestricted -											
General	9,168,870	11,265,562	905,084	(1,033,321)	-	-	3,189,440	23,495,635	-	-	23,495,635
Board designated for permanent loan capital and special programs	1,132,500	-	-	-	-	-	-	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	2,886,839	-	-	-	-	750,000	-	3,636,839	-	-	3,636,839
Board designated for affiliate investments	-	43,227	3,558,450	4,200,000	-	-	(5,370,000)	2,431,677	-	-	2,431,677
Total unrestricted	13,188,209	11,308,789	4,463,534	3,166,679	-	750,000	(2,180,560)	30,696,651	-	-	30,696,651
Temporarily restricted -											
Permanent loan capital	878,091	-	-	-	-	-	-	878,091	-	-	878,091
Special Program Collaborative	-	-	-	145,960	-	-	-	145,960	-	-	145,960
Energy Advantage Program	-	-	-	1,008,395	-	-	-	1,008,395	-	-	1,008,395
Other purpose restrictions	-	-	-	30,587	-	-	-	30,587	-	-	30,587
Total temporarily restricted	878,091	-	-	1,184,942	-	-	-	2,063,033	-	-	2,063,033
Sub-total net assets	14,066,300	11,308,789	4,463,534	4,351,621	-	750,000	(2,180,560)	32,759,684	-	-	32,759,684
Stockholder's equity - Solar Energy Advantage, Inc.	-	-	-	-	84,627	-	(84,627)	-	-	-	-
Members' investment - NSP Residential, LLC	-	-	-	-	-	2,689,481	(2,689,481)	-	-	-	-
Members' investment - Aura Mortgage Advisors, LLC	-	-	-	-	-	415,332	(415,332)	-	-	-	-
Members' investment - BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	17,433,294	(17,433,294)	-
Non-controlling interests in members' investment in -											
BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	-	12,644,844	12,644,844
SUN Initiative Financing, LLC	-	-	-	-	-	2,504,333	-	2,504,333	-	-	2,504,333
Total net assets and non-controlling interests in members' investments	14,066,300	11,308,789	4,463,534	4,351,621	84,627	6,359,146	(5,370,000)	35,264,017	17,433,294	(4,788,450)	47,908,861
Total liabilities, net assets and non-controlling interests in members' investments	$ 98,782,460	$ 29,204,520	$ 7,278,534	$ 4,854,749	$ 4,458,965	$ 19,253,932	$ (12,913,951)	$ 150,919,209	$ 18,927,102	$ (6,282,250)	$ 163,564,061

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

COMBINING AND CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES										
ASSETS	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	SOLAR ENERGY ADVANTAGE, INC.	FORECLOSURE AND HOME MORTGAGE SERVICES	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:											
Cash and cash equivalents	$ 9,675,694	$ 3,147,888	$ 186,272	$ 582,893	$ 128,526	3,807,562	$ -	$ 17,528,835	$ 129,842	$ -	$ 17,658,677
Cash and cash equivalents - escrow funds	6,179,539	5,645,829	-	-	-	19,764	-	11,845,132	-	-	11,845,132
Short-term investments in marketable securities	-	602,417	-	-	-	-	-	602,417	-	-	602,417
Current portion of loans and interest receivable, net of allowance for loan losses of $2,621,414	23,207,304	1,287	-	-	-	22,707	-	23,231,298	1,447,706	-	24,679,004
Current portion of affiliate loans receivable	-	186,747	-	-	-	-	-	186,747	-	(186,747)	-
Grants and rebates receivable	-	-	-	100,000	767,175	-	-	867,175	-	-	867,175
Other current assets	103,200	35,889	645,384	67,763	84,215	27,223	-	963,674	-	(652,378)	311,296
Total current assets	39,165,737	9,620,057	831,656	750,656	979,916	3,877,256	-	55,225,278	1,577,548	(839,125)	55,963,701
INVESTMENTS IN MARKETABLE SECURITIES	1,801,470	500,123	-	-	-	-	-	2,301,593	-	-	2,301,593
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $1,129,406	41,947,241	59,584	-	-	-	1,696,400	-	43,703,225	-	-	43,703,225
AFFILIATE LOANS RECEIVABLE, net of current portion	5,300,000	-	-	100,000	-	-	(5,400,000)	-	-	-	-
PROGRAM-RELATED EQUITY INVESTMENTS	-	-	-	-	-	-	-	-	14,821,070	-	14,821,070
INVESTMENTS IN AFFILIATES	-	27,225	4,565,825	3,900,000	-	-	(4,970,000)	3,523,050	-	(3,495,825)	27,225
PROPERTY AND EQUIPMENT, net	-	-	-	112,402	2,439,672	990,855	-	3,542,929	-	-	3,542,929
Total assets	$ 88,214,448	$ 10,206,989	$ 5,397,481	$ 4,863,058	$ 3,419,588	$ 6,564,511	$ (10,370,000)	$ 108,296,075	$ 16,398,618	$ (4,334,950)	$ 120,359,743
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS											
CURRENT LIABILITIES:											
Current portion of loans payable	$ 9,783,408	$ -	$ -	$ -	$ -	$ -	$ -	9,783,408	$ -	$ -	$ 9,783,408
Current portion of permanent loan capital - subordinated loans payable	172,698	-	-	-	-	-	-	172,698	-	-	172,698
Interest and accounts payable	552,408	6,681	-	471,813	77,914	26,948	-	1,135,764	652,378	(652,378)	1,135,764
Affiliate loans payable	-	-	-	-	-	-	-	-	186,747	(186,747)	-
Escrow funds	6,179,539	5,645,829	-	-	-	19,764	-	11,845,132	-	-	11,845,132
Total current liabilities	16,688,053	5,652,510	-	471,813	77,914	46,712	-	22,937,002	839,125	(839,125)	22,937,002
LOANS PAYABLE, net of current portion	43,489,831	-	15,000	-	-	-	-	43,504,831	-	-	43,504,831
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE, net of current portion	15,077,302	-	2,400,000	-	3,000,000	-	(5,400,000)	15,077,302	-	-	15,077,302
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:											
Unrestricted -											
General	8,617,773	4,527,254	816,656	(889,589)	-	(51,577)	3,411,050	16,431,567	-	-	16,431,567
Board designated for permanent loan capital and special programs	1,132,500	-	-	-	-	-	-	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	2,331,898	-	-	-	-	-	-	2,331,898	-	-	2,331,898
Board designated for affiliate investments	-	27,225	2,165,825	3,900,000	-	-	(4,970,000)	1,123,050	-	-	1,123,050
Total unrestricted	12,082,171	4,554,479	2,982,481	3,010,411	-	(51,577)	(1,558,950)	21,019,015	-	-	21,019,015
Temporarily restricted -											
Permanent loan capital	877,091	-	-	-	-	-	-	877,091	-	-	877,091
Special Program Collaborative	-	-	-	226,395	-	-	-	226,395	-	-	226,395
Energy Advantage Program	-	-	-	1,023,852	-	-	-	1,023,852	-	-	1,023,852
Other purpose restrictions	-	-	-	130,587	-	-	-	130,587	-	-	130,587
Total temporarily restricted	877,091	-	-	1,380,834	-	-	-	2,257,925	-	-	2,257,925
Sub-total net assets	12,959,262	4,554,479	2,982,481	4,391,245	-	(51,577)	(1,558,950)	23,276,940	-	-	23,276,940
Stockholder's Equity - Solar Energy Advantage, Inc.	-	-	-	-	341,674	-	(341,674)	-	-	-	-
Members' investment - NSP Residential, LLC	-	-	-	-	-	2,707,397	(2,707,397)	-	-	-	-
Members' investment - Aura Mortgage Advisors, LLC	-	-	-	-	-	361,979	(361,979)	-	-	-	-
Members' investment - BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	15,559,493	(15,559,493)	-
Non-controlling interests in members' investment in -											
BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	-	12,063,668	12,063,668
SUN Initiative Finacning, LLC	-	-	-	-	-	3,500,000	-	3,500,000	-	-	3,500,000
Total net assets and non-controlling interests in members' investments	12,959,262	4,554,479	2,982,481	4,391,245	341,674	6,517,799	(4,970,000)	26,776,940	15,559,493	(3,495,825)	38,840,608
Total liabilities, net assets and non-controlling interests in members' investments	$ 88,214,448	$ 10,206,989	$ 5,397,481	$ 4,863,058	$ 3,419,588	$ 6,564,511	$ (10,370,000)	$ 108,296,075	$ 16,398,618	$ (4,334,950)	$ 120,359,743

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

COMBINING AND CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES										
UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	SOLAR ENERGY ADVANTAGE, INC.	FORECLOSURE AND HOME MORTGAGE SERVICES	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
OPERATING REVENUES:											
Financial and earned revenue -											
Program revenue and fees	$ 631,891	$ 9,339,020	$ 645,900	$ 32,401	$ 378,709	$ 172,884	$ -	$11,200,805	$ -	$ (645,900)	$ 10,554,905
Interest on loans, net	4,519,651	19,655	-	109,883	-	318,136	(271,816)	4,695,509	356,381	-	5,051,890
Investment income	78,153	41,969	-	7,253	-	51,074	-	178,449	143	-	178,592
Net loan loss provision	(995,742)	-	-	-	-	-	-	(995,742)	-	-	(995,742)
Less - interest expense	(2,549,333)	(35,000)	(72,000)	(98,000)	(102,605)	(357,863)	271,816	(2,942,985)	-	-	(2,942,985)
Net financial and earned revenue	1,684,620	9,365,644	573,900	51,537	276,104	184,231	-	12,136,036	356,524	(645,900)	11,846,660
Grants and contributions	-	-	-	390,935	-	774,848	-	1,165,783	-	-	1,165,783
Net assets released from restrictions	-	-	-	195,892	-	-	-	195,892	-	-	195,892
Less - pass-through of special program costs	-	-	-	(80,435)	-	-	-	(80,435)	-	-	(80,435)
Total operating revenues	1,684,620	9,365,644	573,900	557,929	276,104	959,079	-	13,417,276	356,524	(645,900)	13,127,900
OPERATING EXPENSES:											
Personnel	1,232,515	485,367	604,092	393,519	120,989	1,027,116	-	3,863,598	-	-	3,863,598
Office operations	167,814	11,602	28,615	-	18,713	222,329	-	449,073	-	-	449,073
Consultants	54,667	882	21,635	184,229	21,585	49,371	-	332,369	-	-	332,369
Depreciation	-	-	-	51,209	215,167	2,532	-	268,908	-	-	268,908
Legal	8,223	103,018	187	4,877	24,740	72,570	-	213,615	14,025	-	227,640
Marketing	37,087	1,426	5,822	87,013	6,076	57,898	-	195,322	-	-	195,322
Insurance and other	17,245	8,396	5,045	1,606	59,509	18,826	-	110,627	31,377	-	142,004
Program expenses	-	-	-	35,016	54,305	38,791	-	128,112	-	-	128,112
Accounting and investment fees	46,335	624	12,485	3,746	10,648	15,618	-	89,456	28,043	-	117,499
Travel	14,696	19	7,591	12,192	1,419	12,681	-	48,598	-	-	48,598
Management services	-	-	-	-	-	-	-	-	645,900	(645,900)	-
Total operating expenses	1,578,582	611,334	685,472	773,407	533,151	1,517,732	-	5,699,678	719,345	(645,900)	5,773,123
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	106,038	8,754,310	(111,572)	(215,478)	(257,047)	(558,653)	-	7,717,598	(362,821)	-	7,354,777
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:											
Net unrealized gain on program-related equity investments	-	-	-	-	-	-	-	-	2,882,905	-	2,882,905
Impairment loss on program-related equity investments and loan and interest receivable	-	-	-	(328,254)	-	-	-	(328,254)	(646,283)	-	(974,537)
Share of income of consolidating affiliates	-	-	1,292,625	-	-	-	-	1,292,625	-	(1,292,625)	-
Net asset transfers for support of new initiatives	1,000,000	(2,000,000)	300,000	700,000	-	-	-	-	-	-	-
Changes in unrestricted net assets and non-controlling interests in members' investments	1,106,038	6,754,310	1,481,053	156,268	(257,047)	(558,653)	-	8,681,969	1,873,801	(1,292,625)	9,263,145
TEMPORARILY RESTRICTED NET ASSETS:											
Grants and contributions	1,000	-	-	-	-	-	-	1,000	-	-	1,000
Net assets released from restrictions -											
Operating grants released from purpose restrictions	-	-	-	(195,892)	-	-	-	(195,892)	-	-	(195,892)
Changes in temporarily restricted net assets	1,000	-	-	(195,892)	-	-	-	(194,892)	-	-	(194,892)
Changes in net assets and non-controlling interests in members' investments	$ 1,107,038	$ 6,754,310	$ 1,481,053	$ (39,624)	$ (257,047)	$ (558,653)	$ -	$ 8,487,077	$ 1,873,801	$ (1,292,625)	$ 9,068,253

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

COMBINING AND CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES										
UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	SOLAR ENERGY ADVANTAGE, INC.	FORECLOSURE AND HOME MORTGAGE SERVICES	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
OPERATING REVENUES:											
Financial and earned revenue -											
Program revenue and fees	$ 356,651	$ 1,796,485	$ 645,900	$ 1,392,035	$ 164,580	$ 33,176	$ -	$ 4,388,827	$ -	$ (645,900)	$ 3,742,927
Interest on loans, net	4,539,971	14,881	-	93,457	-	40,164	(252,000)	4,436,473	196,547	-	4,633,020
Investment income	149,295	25,464	-	11,342	2,786	8,613	-	197,500	24,203	-	221,703
Net loan loss provision	(1,097,271)	-	-	-	-	-	-	(1,097,271)	-	-	(1,097,271)
Less - interest expense	(2,581,427)	-	(72,000)	(90,000)	(67,882)	(2,000)	252,000	(2,561,309)	-	-	(2,561,309)
Net financial and earned revenue	1,367,219	1,836,830	573,900	1,406,834	99,484	79,953	-	5,364,220	220,750	(645,900)	4,939,070
Grants and contributions	1,000,000	-	-	198,056	-	-	-	1,198,056	-	-	1,198,056
Net assets released from restrictions	-	-	-	280,680	-	-	-	280,680	-	-	280,680
Less - pass-through of special program costs	-	-	-	(180,680)	-	-	-	(180,680)	-	-	(180,680)
Total operating revenues	2,367,219	1,836,830	573,900	1,704,890	99,484	79,953	-	6,662,276	220,750	(645,900)	6,237,126
OPERATING EXPENSES:											
Personnel	1,258,275	447,488	571,208	429,640	114,412	533,217	-	3,354,240	-	-	3,354,240
Office operations	134,630	9,731	18,094	28,106	13,579	60,056	-	264,196	-	-	264,196
Consultants	47,043	759	15,175	53,068	1,518	24,953	-	142,516	-	-	142,516
Depreciation	-	-	-	4,103	129,016	-	-	133,119	-	-	133,119
Legal	4,892	8,274	2,160	4,960	64,009	39,052	-	123,347	61,926	-	185,273
Marketing	32,303	1,239	7,457	75,786	3,921	5,330	-	126,036	-	-	126,036
Insurance and other	13,263	7,900	4,109	1,322	66,592	25,274	-	118,460	26,526	-	144,986
Program expenses	-	-	-	210,221	11,000	6,513	-	227,734	-	-	227,734
Accounting and investment fees	47,672	769	15,378	4,613	10,312	7,621	-	86,365	31,162	-	117,527
Travel	15,861	3	5,582	10,503	73	3,703	-	35,725	-	-	35,725
Management services	-	-	-	-	-	-	-	-	645,900	(645,900)	-
Total operating expenses	1,553,939	476,163	639,163	822,322	414,432	705,719	-	4,611,738	765,514	(645,900)	4,731,352
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	813,280	1,360,667	(65,263)	882,568	(314,948)	(625,766)	-	2,050,538	(544,764)	-	1,505,774
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:											
Net unrealized gain on program-related equity investments	-	-	-	-	-	-	-	-	1,715,849	-	1,715,849
Impairment loss on program-related equity investments and loan and interest receivable	-	-	-	-	-	-	-	-	(324,378)	-	(324,378)
Share of income of consolidating affiliates	-	-	556,907	-	-	-	-	556,907	-	(556,907)	-
Net asset transfers for support of new initiatives	1,500,000	(3,890,000)	1,040,000	1,350,000	-	-	-	-	-	-	-
Changes in unrestricted net assets and non-controlling interests in members' investments	2,313,280	(2,529,333)	1,531,644	2,232,568	(314,948)	(625,766)	-	2,607,445	846,707	(556,907)	2,897,245
TEMPORARILY RESTRICTED NET ASSETS:											
Grants and contributions	1,015	-	-	-	-	-	-	1,015	-	-	1,015
Net assets released from restrictions:											
Operating grants released from purpose restrictions	-	-	-	(280,680)	-	-	-	(280,680)	-	-	(280,680)
Energy Advantage Program grants released to offset costs of solar energy systems (see Notes 2 and 7)	-	-	-	(3,775,000)	-	-	-	(3,775,000)	-	-	(3,775,000)
Changes in temporarily restricted net assets	1,015	-	-	(4,055,680)	-	-	-	(4,054,665)	-	-	(4,054,665)
Changes in net assets and non-controlling interests in members' investments	$ 2,314,295	$ (2,529,333)	$ 1,531,644	$ (1,823,112)	$ (314,948)	$ (625,766)	$ -	$ (1,447,220)	$ 846,707	$ (556,907)	$ (1,157,420)