BOSTON COMMUNITY CAPITAL AND AFFILIATES

CONSOLIDATING FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONTENTS
DECEMBER 31, 2009 AND 2008

Alexander Aronson Finning
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Where Every Client Is A Valued Client

Alexander, Aronson, Finning & Co., P.C.
21 East Main Street, Westborough, MA 01581-1461 (508) 366-9100
Boston, MA (617) 205-9100 Wellesley, MA (781) 965-9100
www.aafcpa.com FAX (508) 366-9789 info@aafcpa.com

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, 2009 and 2008, 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 audits 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, 2009 and 2008, 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 $14,821,070 and $13,233,868 (approximately 12% of total assets) as of December 31, 2009 and 2008, 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 40 through 43 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
March 11, 2010

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 $2,363,827	23,231,298	1,447,706	-	24,679,004
Grants and rebates receivable	867,175	-	-	867,175
Other current assets	1,150,421	-	(839,125)	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	839,125	(839,125)	1,135,764
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 of -				
BCLF Ventures, LLCs	-	-	12,063,668	12,063,668
SUN Initiative, 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 statements of financial position on pages 40 - 41.

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

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES *	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:				
Cash and cash equivalents	$ 18,691,975	$ 317,799	$ -	$ 19,009,774
Cash and cash equivalents - escrow funds	5,340,413	-	-	5,340,413
Short-term investments in marketable securities	1,014,209	-	-	1,014,209
Current portion of loans and interest receivable, net of allowance for loan losses of $1,789,151	20,957,204	452,835	-	21,410,039
Grants receivable	100,000	-	-	100,000
Other current assets	393,758	-	(171,524)	222,234
Total current assets	46,497,559	770,634	(171,524)	47,096,669
INVESTMENTS IN MARKETABLE SECURITIES	2,548,490	-	-	2,548,490
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $225,659	40,936,680	879,808	-	41,816,488
PROGRAM-RELATED EQUITY INVESTMENTS	-	13,233,868	-	13,233,868
INVESTMENTS IN AFFILIATES	2,966,143	-	(2,938,918)	27,225
PROPERTY AND EQUIPMENT, net	6,870,052	-	-	6,870,052
Total assets	$ 99,818,924	$ 14,884,310	$ (3,110,442)	$ 111,592,792
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS				
CURRENT LIABILITIES:				
Current portion of loans payable	$ 9,303,865	$ -	$ -	$ 9,303,865
Interest and accounts payable	1,285,896	171,524	(171,524)	1,285,896
Escrow funds	5,340,413	-	-	5,340,413
Total current liabilities	15,930,174	171,524	(171,524)	15,930,174
LOANS PAYABLE, net of current portion	43,914,590	-	-	43,914,590
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE	15,250,000	-	-	15,250,000
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Unrestricted -				
General	14,637,885	-	-	14,637,885
Board designated for permanent loan capital and special programs	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	2,075,042	-	-	2,075,042
Board designated for affiliate investments	566,143	-	-	566,143
Total unrestricted	18,411,570	-	-	18,411,570
Temporarily restricted -				
Permanent loan capital	876,076	-	-	876,076
Special Program Collaborative	407,075	-	-	407,075
Energy Advantage Program	4,798,852	-	-	4,798,852
Other purpose restrictions	230,587	-	-	230,587
Total temporarily restricted	6,312,590	-	-	6,312,590
Sub-total net assets	24,724,160	-	-	24,724,160
Members' investment - BCLF Ventures, LLCs	-	14,712,786	(14,712,786)	-
Non-controlling interests in members' investment of BCLF Ventures, LLCs	-	-	11,773,868	11,773,868
Total net assets and non-controlling interests in members' investments	24,724,160	14,712,786	(2,938,918)	36,498,028
Total liabilities, net assets and non-controlling interests in members' investments	$ 99,818,924	$ 14,884,310	$ (3,110,442)	$ 111,592,792

* See accompanying supplemental combining and consolidating statements of financial position on pages 40 - 41.

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 -				
Interest on loans, net	$ 4,436,473	$ 196,547	$ -	$ 4,633,020
Program revenue and fees	4,388,827	-	(645,900)	3,742,927
Investment income	197,500	24,203	-	221,703
Less - interest and financing expense	(2,561,309)	-	-	(2,561,309)
Net loan loss provision	(1,097,271)	-	-	(1,097,271)
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	259,744	-	-	259,744
Program expenses	227,734	-	-	227,734
Legal	123,347	61,926	-	185,273
Consultants	146,968	-	-	146,968
Insurance and other	118,460	26,526	-	144,986
Depreciation	133,119	-	-	133,119
Marketing	126,036	-	-	126,036
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 realized and unrealized gains 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 Notes 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 statements of activities on pages 42 - 43.

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, 2008

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 -				
Interest on loans, net	$ 4,101,816	$ 108,538	$ -	$ 4,210,354
Program revenue and fees	4,654,499	-	(645,900)	4,008,599
Investment income	456,330	20,361	-	476,691
Less - interest expense	(2,263,908)	-	-	(2,263,908)
Net loan loss provision	(821,378)	-	-	(821,378)
Net financial and earned revenue	6,127,359	128,899	(645,900)	5,610,358
Grants and contributions	350,812	-	-	350,812
Net assets released from restrictions	250,493	-	-	250,493
Less - pass-through of special program costs	(263,138)	-	-	(263,138)
Total operating revenues	6,465,526	128,899	(645,900)	5,948,525
OPERATING EXPENSES:				
Personnel	2,777,501	-	-	2,777,501
Office operations	287,016	-	-	287,016
Legal	107,885	290,728	-	398,613
Consultants	360,133	-	-	360,133
Insurance and other	49,249	15,938	-	65,187
Depreciation	19,293	-	-	19,293
Marketing	120,983	-	-	120,983
Accounting and investment fees	68,632	29,084	-	97,716
Travel	32,940	-	-	32,940
Management services	-	645,900	(645,900)	-
Total operating expenses	3,823,632	981,650	(645,900)	4,159,382
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	2,641,894	(852,751)	-	1,789,143
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:				
Net realized and unrealized gains on program-related equity investments	-	148,757	-	148,757
Impairment loss on program-related equity investments and loan and interest receivable	-	(1,465,703)	-	(1,465,703)
Share of loss of consolidating affiliates	(169,335)	-	169,335	-
Cumulative effect of change in accounting principle	-	1,685,871	-	1,685,871
Changes in unrestricted net assets and non-controlling interests in members' investments	2,472,559	(483,826)	169,335	2,158,068
TEMPORARILY RESTRICTED NET ASSETS:				
Grants and contributions	200,850	-	-	200,850
Interest	65,565	-	-	65,565
Net assets released from restrictions	(250,493)	-	-	(250,493)
Changes in temporarily restricted net assets	15,922	-	-	15,922
Changes in net assets and non-controlling interests in members' investments	$ 2,488,481	$ (483,826)	$ 169,335	$ 2,173,990

* See accompanying supplemental combining and consolidating statements of activities on pages 42 - 43.

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, 2009 AND 2008

	UNRESTRICTED	UNRESTRICTED - BOARD DESIGNATED			TEMPORARILY RESTRICTED					
		LOAN FUND								
	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, 2007	$ 12,375,421	$ 1,132,500	$ 1,711,417	$ 719,673	$ 875,126	$ 534,113	$ 4,854,488	$ 32,941	$ 12,088,359	$ 34,324,038
Changes in net assets and non-controlling interests in members' investments	2,641,894	-	-	(169,335)	950	(127,038)	(55,636)	197,646	(314,491)	2,173,990
Transfers of unrestricted net assets	(379,430)	-	363,625	15,805	-	-	-	-	-	-
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

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, 2009 AND 2008

	2009				2008			
	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	$ (1,447,220)	$ 846,707	$ (556,907)	$ (1,157,420)	$ 2,488,481	$ (483,826)	$ 169,335	$ 2,173,990
Adjustments to reconcile changes in net assets and non-controlling interests in members' investments to net cash provided by (used in) operating activities:								
Depreciation	133,119	-	-	133,119	19,293	-	-	19,293
Net realized and unrealized (gains) losses on investments in marketable securities	4,248	-	-	4,248	(3,005)	(136)	-	(3,141)
Net loan loss provision	1,097,271	-	-	1,097,271	821,378	-	-	821,378
Net realized and unrealized gain on program-related equity investments and loan and interest receivable	-	(1,715,849)	-	(1,715,849)	-	(148,757)	-	(148,757)
Impairment loss on program-related equity investments and loan and interest receivable	-	324,378	-	324,378	-	1,465,703	-	1,465,703
Share of (income) loss of consolidating affiliates	(556,907)	-	556,907	-	169,335	-	(169,335)	-
Grants for capital and investment uses	(1,015)	-	-	(1,015)	(950)	-	-	(950)
Energy Advantage Program grants released to offset costs of solar energy systems	3,775,000	-	-	3,775,000	-	-	-	-
Forgiven loans payable included in contributions	-	-	-	-	(6,900)	-	-	(6,900)
Cumulative effect of change in accounting principle	-	-	-	-	-	(1,685,871)	-	(1,685,871)
Changes in operating assets and liabilities -								
Interest receivable	(450,495)	(189,318)	-	(639,813)	116,683	(97,414)	-	19,269
Grant receivable	-	-	-	-	(100,000)	-	-	(100,000)
Other current assets	(580,842)	-	-	(580,842)	(132,344)	-	-	(132,344)
Interest and accounts payable	(150,132)	491,780	-	341,648	493	171,524	-	172,017
Deferred loan fees	21,579	-	-	21,579	60,528	-	-	60,528
Net cash provided by (used in) operating activities	1,844,606	(242,302)	-	1,602,304	3,432,992	(778,777)	-	2,654,215
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)	-	(98,072)	-	(98,072)
Investment in affiliates	-	-	-	-	(15,805)	-	-	(15,805)
Issuance of loans receivable	(12,884,961)	-	-	(12,884,961)	(18,582,719)	(100,000)	-	(18,682,719)
Principal payments of loans receivable	8,330,726	-	-	8,330,726	8,846,220	4,447	-	8,850,667
Purchase of property and equipment, net of proceeds from grants and rebates for solar energy equipment	(2,678,751)	-	-	(2,678,751)	(6,318,511)	-	-	(6,318,511)
Proceeds from sales and maturities of investments	3,116,040	-	-	3,116,040	1,348,375	60,174	-	1,408,549
Purchase of investments	(2,461,599)	-	-	(2,461,599)	(1,311,733)	-	-	(1,311,733)
Net cash used in investing activities	(6,578,545)	(121,476)	-	(6,700,021)	(16,034,173)	(133,451)	-	(16,167,624)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Grants for capital and investment uses	1,015	-	-	1,015	950	-	-	950
Capital contribution	3,500,000	-	-	3,500,000	-	-	-	-
Proceeds from loans payable	1,302,784	175,821	-	1,478,605	11,559,437	-	-	11,559,437
Principal payments on loans payable	(1,233,000)	-	-	(1,233,000)	(1,136,500)	-	-	(1,136,500)
Proceeds from subordinated loans payable	-	-	-	-	2,000,000	-	-	2,000,000
Net cash provided by financing activities	3,570,799	175,821	-	3,746,620	12,423,887	-	-	12,423,887
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,163,140)	(187,957)	-	(1,351,097)	(177,294)	(912,228)	-	(1,089,522)
CASH AND CASH EQUIVALENTS, beginning of year	18,691,975	317,799	-	19,009,774	18,869,269	1,230,027	-	20,099,296
CASH AND CASH EQUIVALENTS, end of year	$ 17,528,835	$ 129,842	$ -	$ 17,658,677	$ 18,691,975	$ 317,799	$ -	$ 19,009,774
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -								
Cash paid for interest	$ 2,556,865	$ -	$ -	$ 2,556,865	$ 2,255,350	$ -	$ -	$ 2,255,350
NON-CASH INVESTING AND FINANCING TRANSACTIONS:								
Loans receivable funded through issuance of affiliate obligation	$ 1,330,580	$ -	$ -	$ 1,330,580	$ -	$ -	$ -	$ -
Property and equipment included in accounts payable	$ -	$ -	$ -	$ -	$ 544,401	$ -	$ -	$ 544,401

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 an operating private 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 and the Venture Fund 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 8) from the Treasury. 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 following three consolidated affiliates:

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. During 2009 and 2008, the Venture Fund made capital contributions of $290,000 and $300,000, respectively, to Aura Mortgage in support of startup activities occurring in both years.

NSP Residential, LLC

During 2008, 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. To further its purposes, NSP shall purchase residential properties and rehabilitate them to rent or sell the properties to low-income individuals. During 2008, NSP purchased two condo units, with the goal to renovate and remarket or rent. In 2009, NSP purchased several more housing units with the intent to remarket or rent.

SUN Initiative Financing, LLC

In 2009, the Corporation formed SUN Initiative Financing, LLC (SUN Initiative). SUN Initiative is a Massachusetts limited liability company established to finance the operations of the Stabilizing Urban Neighborhoods initiative, operated and managed by NSP (see above). SUN 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. 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. SUN Initiative received an initial capital contribution from an outside investor for $3,500,000. In 2010, SUN Initiative plans to raise approximately $50 million of additional capital from individual and organizational investors to be used to purchase overleveraged properties.

(1) **OPERATIONS AND RELATED ENTITIES** (Continued)

RELATED ENTITIES (Continued)

Consolidated Affiliates (Continued)

SUN Initiative Financing, LLC (Continued)

The Corporation has implemented the accounting guidance regarding the *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 the Corporation's interest in SUN Initiative. 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 other member of SUN Initiative does not maintain such rights and, therefore, the financial statements of SUN Initiative have been consolidated with those of the Corporation.

In February 2010, SUN Initiative purchased ten of the mortgage loans issued by Aura Mortgage in 2009 (see Note 5) for approximately $1,400,000 and seven of the housing units held by NSP (see Note 7) for approximately $900,000.

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. During 2009 and 2008, SEA substantially completed construction of solar panels at seven affordable sites in Massachusetts (see Note 2) and entered into long-term contracts with the owners to provide electricity to the sites.

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). The Corporation consolidates the financial statements of BCLF Ventures, LLCs through application of accounting guidance regarding the *Accounting for an Investment in a Limited Partnership When the Investor is the Sole General Partner and the Limited Partners have Certain Rights* (see above) with respect to the Venture Fund's managing member interest in the BCLF Ventures, LLCs. The investing members of the BCLF Ventures, LLCs do not maintain kick-out rights or substantive participating rights. The financial statements of the BCLF Ventures, LLCs are presented apart from the other operating affiliates of the Corporation because the BCLF Ventures, LLCs are managed funds with passive investors with substantial minority interests and are not considered integral to the operations of the Corporation.

(1) OPERATIONS AND RELATED ENTITIES (Continued)

RELATED ENTITIES (Continued)

Consolidating Affiliates (Continued)

BCLF Ventures, LLCs (Continued)

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 2009 and 2008. 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.

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 2009 and 2008. 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. The BCLF Ventures, LLCs will terminate no later than July, 2010, unless extended another two years at the discretion of the Venture Fund, as provided in the operating agreements. It is the Venture Fund's intent to exercise its option to extend BCLF Ventures, LLCs through 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.

(1) **OPERATIONS AND RELATED ENTITIES** (Continued)

RELATED ENTITIES (Continued)

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 received allocations totaling $130 million of qualified equity investments for purposes of the New Market Tax Credits (NMTC), which were fully syndicated through newly created limited liability companies by the end of 2008. During 2009 and 2008, the Holding Company was awarded additional allocations totaling $170 million, which have not been syndicated as of December 31, 2009.

The Holding Company has formed thirteen additional CDEs (collectively, the CDE LLCs), the first seven of which have been activated as of December 31, 2009 and 2008:

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

The other six 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 VIII, LLC
BCC NMTC CDE IX, LLC
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 with a 99.99% interest. The Investor Members of the active CDE LLCs maintain certain substantive participating rights within the meaning of the *Accounting for an Investment in a Limited Partnership When the Investor is the Sole General Partner and the Limited Partners have Certain Rights* (see page 10). Therefore, the CDE LLCs have not been consolidated or combined in the accompanying consolidating financial statements of the Corporation. The active CDE LLCs have made qualified low-income community investments (QLICIs) within the meaning of the New Markets program and IRC Section 45D.

(1) **OPERATIONS AND RELATED ENTITIES** (Continued)

RELATED ENTITIES (Continued)

Unconsolidated Affiliates (Continued)

BCC NMTC CDEs (Continued)

Managed Assets entered into agreements with the Investor Members who provided approximately $130 million of cumulative qualified equity investments (QEI) as of December 31, 2009, to make QLICIs of the active CDE LLCs. By making QLICIs, the CDE LLCs enable the Investor Members to claim approximately $44,500,000 of NMTC over credit periods of seven years. For its participation in establishing the CDE LLCs and underwriting the QLICIs made during 2009 and 2008, Managed Assets earned upfront fees of $1,147,407 and $2,817,766, respectively, which are included in program revenue and fees in the accompanying consolidating statements of activities.

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, 2009, Managed Assets was in compliance with all covenants that would cause a recapture of NMTC and management expects to maintain compliance throughout the seven-year life of each NMTC.

Managed Assets also earned annual management fees of $649,078 and $619,857 for 2009 and 2008, respectively, in conjunction with the management of the CDE LLCs. These fees are also included within program revenue and fees in the accompanying consolidating financial statements.

For each 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, 2009, 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

(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 consolidating and consolidated affiliates (see Note 1). All significant intercompany balances and transactions have been eliminated 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.

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 four 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 $11,845,132 and $5,340,413 in escrow for outside parties as of December 31, 2009 and 2008, respectively. These amounts are escrowed for Loan Fund borrowers for various purposes, including working capital reserves, replacement reserves, and construction fund escrows.

Fair Value

The Corporation follows the *Fair Value Measurements and Disclosure Standards* under U.S. GAAP. These standards define fair value, describe a framework for measuring fair value, and specify required disclosures. Fair value, where applicable, is determined using a hierarchy 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 from markets that are not considered to be active.
- Level 3 – Inputs that are unobservable.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

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.

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.

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 operations 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.

The adoption of the fair value measurement standards (see above) on a prospective basis in 2008 required a change in certain valuation methods previously used. The cumulative effect of these changes was to increase accumulated appreciation of program-related equity investments by $1,685,871, which is reported in the accompanying 2008 consolidating statement of activities.

Investments in Affiliates

The Corporation accounts for its non-marketable interests in BCLF Ventures LLCs using the equity method because its investment is significant and it is able to exercise significant influence on the activities. Under the equity method, the cost of the original investment is increased or decreased by the Corporation's share of earnings of BCLF Ventures, LLCs and reduced by distributions received. 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).

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertainty in Income Taxes

The Corporation adopted the new U.S. GAAP standards for *Accounting for Uncertainty in Income Taxes* which require the Corporation to report any uncertain tax positions and to adjust its consolidating financial statements for the impact thereof. As of December 31, 2009, the Corporation determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Corporation files income tax and information returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.

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.

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

Computers and office equipment	3 – 5 years
Leasehold improvements	Life of lease (see Note 10)
Solar energy equipment	12 years

With respect to solar energy equipment as developed within 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.

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 2009 and 2008, the Board of Directors designated $256,856 and $363,625, 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 designated $1,000,000, the proceeds of two unrestricted grant awards from the Treasury (see Note 1), as permanent loan capital (see page 17) 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 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. In 2008, Managed Assets transferred $1,000,000 to the Holding Company and $400,000 to the Venture Fund.

(2) **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Assets and Member's 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:

	2009	**2008**
Purpose restricted:		
Energy Advantage Program (EAP)	$1,023,852	$4,798,852
Loan Fund - permanent loan capital	877,091	876,076
Special Program Collaborative	226,395	407,075
Other purpose restrictions	130,587	230,587
Total temporarily restricted	$2,257,925	$6,312,590

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 above), 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 2009 and 2008, $180,680 and $127,038, 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.

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. During 2009, $3,775,000 was released from restrictions pertaining to SEA's installation of solar panels. The funds were transferred from the Holding Company to SEA and used to reduce the reported cost of the solar panels (see Note 7). During 2008, $121,101 was expended for project costs and is included in pass-through of special program costs in the accompanying 2008 consolidating statement of activities.

(2) **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Temporarily restricted net assets (Continued)

Net assets released from restrictions include:

	2009	2008
Released to operating revenues:		
Special program collaborative	$ 180,680	$127,038
Other purpose restrictions	100,000	123,455
Subtotal	280,680	250,493
Energy Advantage Program grant released to offset costs of solar energy systems (see Note 7)	3,775,000	-
	$4,055,680	$250,493

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 Member's Investment). Interest on loans is presented net of interest of $3,254,701 and $2,822,520 collected on behalf of loan participants (see Notes 5 and 8) in 2009 and 2008, respectively.

Program revenue and fees includes:

- Loan fees of the Loan Fund and Aura Mortgage
- Upfront and backend fees of Managed Assets
- Management fees of the Venture Fund and Managed Assets
- Developer fees of the Holding Company
- Electric utility charges of SEA
- 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.

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).

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.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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.

Grants and contributions with no 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.

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

The preparation of consolidating financial statements in accordance with U.S. GAAP requires management to disclose the date through which subsequent events have been evaluated for possible recognition or disclosure in the accompanying consolidating financial statements. Subsequent events are transactions or events that occur after the consolidating statement of financial position date, but before the consolidating financial statements are issued or available to be issued. The accompanying consolidating financial statements include the evaluation of subsequent events that have occurred through March 11, 2010, which is the date the consolidating financial statements were available to be issued.

(3) INVESTMENTS

Investments in Marketable Securities

Fair values of investments in marketable securities at December 31, 2009 and 2008, are summarized as follows:

2009	Cost	Fair Value	Unrealized Depreciation
Certificates of deposit	$1,902,012	$1,902,012	$ -
U.S. Government securities	1,005,440	1,001,998	(3,442)
Total investments	$2,907,452	$2,904,010	$ (3,442)

2008	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of deposit	$1,824,895	$1,824,895	$ -
U.S. Government securities	1,634,655	1,637,610	2,955
Corporate debt securities	110,510	100,194	(10,316)
Total investments	$3,570,060	$3,562,699	$ (7,361)

(3) INVESTMENTS (Continued)

Investments in Marketable Securities (Continued)

All investments in marketable securities owned by the Corporation are valued using Level 2 inputs 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:

	2009	2008
Net unrealized gains (losses)	$ 3,919	$(27,225)
Net realized gains (losses)	(8,167)	30,366
	$(4,248)	$ 3,141

The Corporation generally holds these securities from the purchase date until maturity. Realized gains (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.

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:

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)

2008 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	2,711,209	-	3,211,209
Depreciated investments	2	842,446	(416,506)	-	425,940
Impaired investments	2	1,200,244	-	(950,122)	250,122
Balance, December 31, 2008	6	$ 2,592,690	$2,294,703	$ (950,122)	$ 3,937,271
Ventures II, LLC					
Investments carried at cost	1	$ 1,433,900	$ -	$ -	$ 1,433,900
Appreciated investments	3	4,866,360	2,665,589	-	7,531,949
Depreciated investments	1	987,603	(656,855)		330,748
Impaired investments	2	1,634,340	-	(1,634,340)	-
Balance, December 31, 2008	7	$ 8,922,203	$2,008,734	$(1,634,340)	$ 9,296,597
Totals		$11,514,893	$4,303,437	$(2,584,462)	$13,233,868

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

2009	Level 1	Level 2	Level 3	Total
Ventures I, LLC	$ -	$161,916	$4,751,888	$4,913,804
Ventures II, LLC	$ -	$ -	$9,907,266	$9,907,266
2008				
Ventures I, LLC	$ -	$325,473	$3,611,798	$3,937,271
Ventures II, LLC	$ -	$ -	$9,296,597	$9,296,597

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.

(3) **INVESTMENTS** (Continued)

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

A reconciliation of the Level 3 program-related equity investment activity for 2009 and 2008 follows:

	Ventures I, LLC	Ventures II, LLC
December 31, 2007	$3,258,467	$8,708,362
Net payments, purchases and sales	-	98,072
Net unrealized depreciation	(207,090)	(635,287)
Cumulative effect of adoption of fair value measurement principles	560,421	1,125,450
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

During 2009, Ventures I, LLC recognized a realized loss of $3,676 on the sale of certain program-related equity investments. During 2008, Ventures II, LLC recognized an impairment loss of $1,208,116 relating to investments in one investee company which discontinued operations during the year. This loss is included in impairment loss on program-related equity investments and loan and interest receivable in the accompanying consolidating statements of activities and is shown as part of the net unrealized depreciation for 2008 in the above table. There were no additional known or expected impairments in the BCLF Ventures, LLCs as of December 31, 2009 and 2008.

One company represents approximately 94% and 82% of Ventures I, LLC's total program-related equity investments as of December 31, 2009 and 2008, respectively.

Two corporations represent approximately 66% and 67% of Ventures II, LLC's total program-related equity investments as of December 31, 2009 and 2008, 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, 2009 and 2008, for BCLF Ventures, LLCs, are as follows:

	2009		
Balance Sheets	**Ventures I, LLC**	**Ventures II, LLC**	**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

(4) INVESTMENTS IN AFFILIATES (Continued)

BCLF Ventures, LLCs (Continued)

	2008		
Balance Sheets	**Ventures I, LLC**	**Ventures II, LLC**	**Total**
Cash and cash equivalents	$ 266,473	$ 51,326	$ 317,799
Loans and interest receivable	662,507	670,136	1,332,643
Program-related equity investments	3,937,271	9,296,597	13,233,868
Total assets	$4,866,251	$10,018,059	$14,884,310
Accounts payable	$ 31,759	$ 139,765	$ 171,524
Members' investment	4,834,492	9,878,294	14,712,786
Total liabilities/members' investment	$4,866,251	$10,018,059	$14,884,310
Statements of Operations			
Interest and other investment income	$ 70,605	$ 58,158	$ 128,763
Operating expenses	460,781	520,869	981,650
Operating loss	(390,176)	(462,711)	(852,887)
Other investment activity:			
Net unrealized gain (loss) on program-related equity investments	(424,072)	572,829	148,757
Impairment loss on program-related equity investments and loan and interest receivable	-	(1,465,703)	(1,465,703)
Net realized and unrealized gains on investments in marketable securities	136	-	136
Net loss before accounting change	(814,112)	(1,355,585)	(2,169,697)
Cumulative effect of change in accounting principle	560,421	1,125,450	1,685,871
Comprehensive net loss	$ (253,691)	$ (230,135)	$ (483,826)

(4) **INVESTMENTS IN AFFILIATES** (Continued)

BCLF Ventures, LLCs (Continued)

As of December 31, 2009 and 2008, the BCLF Ventures, LLCs were capitalized as follows:

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
2008			
Manager member - Venture Fund	$ 48,345	$ 98,783	$ 147,128
Regular members:			
Venture Fund	1,896,177	895,613	2,791,790
Other members	2,889,970	8,883,898	11,773,868
Sub-total regular members	4,786,147	9,779,511	14,565,658
Total capital	$4,834,492	$9,878,294	$14,712,786

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, 2007	$2,090,844	$1,017,409	$3,108,253
Share of loss	(146,322)	(23,013)	(169,335)
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

(4) INVESTMENTS IN AFFILIATES (Continued)

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 $1,070,000 and $780,000 as of December 31, 2009 and 2008, respectively, and has been eliminated in the accompanying consolidating financial statements.

The Holding Company's investments in NSP and SEA are also carried on the cost method (see Note 2). The investments totaling $3,900,000 ($3,100,000 in NSP and $800,000 in SEA) and $1,300,000 ($1,000,000 in NSP and $300,000 in SEA) as of December 31, 2009 and 2008, respectively, have been eliminated in the accompanying consolidating financial statements.

CDE LLCs

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

As of December 31, 2009 and 2008, Managed Assets had the following amounts invested in the CDE LLCs:

BCC NMTC CDE I, LLC	$ 2,844
BCC NMTC CDE II, LLC	892
BCC NMTC CDE III, LLC	575
BCC NMTC CDE IV, LLC	2,137
BCC NMTC CDE V, LLC	551
BCC NMTC CDE VI, LLC	4,421
BCC NMTC CDE VII, LLC	15,805
	$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.

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Loan Fund (Continued)

Portfolio Lending (Continued)

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.

Loans receivable bear interest at rates ranging from approximately three to ten percent (3% - 10%) 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. There are one and two unsecured loans receivable, respectively, at December 31, 2009 and 2008, totaling $268,615 and $457,306. The Corporation's five largest outstanding loans receivable were approximately 33% and 36% of the portfolio as of December 31, 2009 and 2008, respectively.

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

	2009		2008	
Type	Number Of Loans	Net Loan Amount	Number Of Loans	Net Loan Amount
Site acquisition	26	$ 20,005,718	25	$23,120,883
Construction	38	17,975,694	37	13,714,755
Permanent	21	15,299,299	19	11,778,682
Organizational	12	8,931,324	13	8,585,801
Predevelopment	7	5,601,077	9	6,597,961
	104	$67,813,112	103	$63,798,082

Loans receivable of the Loan Fund are presented net of third party loan participations of $48,915,941 and $50,574,452 as of December 31, 2009 and 2008, 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.*

(5) LOANS AND INTEREST RECEIVABLE (Continued)

Loan Fund (Continued)

Portfolio Lending (Continued)

Scheduled repayments of principal of loans and interest receivable of $745,126 for the years ending after December 31, 2009, are as follows:

Year	
2010	$25,571,131
2011	1,688,517
2012	11,299,976
2013	3,959,905
2014	4,351,509
Thereafter	21,687,200
	68,558,238
Adjustment for deferred loan fees (see Note 2)	(267,613)
Less - allowance for loan losses (see Note 6)	(3,136,080)
	$65,154,545

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

The Loan Fund had committed approximately $17,700,000 and $14,100,000 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, 2009 and 2008, 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 Initiative (see Note 1), respectively, to support their programs. 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 actual 2010 net cash outflows were approximately $500,000 through March 11, 2010. In addition, in February, 2010, the Loan Fund loaned $2.5 million to the SUN Initiative.

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, 2009, there is a guarantee of $4,600,000 for one loan from USDA under this agreement. During 2009 and 2008, the Loan Fund has not received any amounts under this agreement.

(5) **LOANS AND INTEREST RECEIVABLE** (Continued)

Special Tax-Credit Lending

As of December 31, 2009 and 2008, the Loan Fund entered into four and one 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 in Massachusetts. 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 the arrangement, the Loan fund received fees ranging from .4% to .5% of the total loan amount as fees. These fees are included in loan fees and other in the accompanying consolidating statements of activities. Total outstanding principal balances are $29,049,436 and $11,914,700 as of December 31, 2009 and 2008, 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, 2009 and 2008.

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.

Principal maturities of the remaining loan receivable as of December 31, 2009, are as follows:

Year	
2010	$ 1,287
2011	1,325
2012	1,365
2013	1,405
2014	1,445
Thereafter	54,044
Total	$60,871

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:

2009	Ventures I, LLC	Ventures II, LLC	Total
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	$ -	$ -	$ -
2008			
Number of companies	3	2	
Number of notes	3	3	
Interest rates	5% - 14%	prime - 5%	
Loan principal	$604,063	$ 807,822	$1,411,885
Interest receivable	58,444	119,901	178,345
Less - impaired loan and interest receivable	-	(257,587)	(257,587)
	662,507	670,136	1,332,643
Less - current portion	132,699	320,136	452,835
Non-current portion	$529,808	$ 350,000	$ 879,808

The prime rate related to the above notes was 3.25% as of December 31, 2009 and 2008.

During 2008, $257,587 of a loan receivable and related interest receivable related to program-related equity investments became impaired in Ventures II, LLC. This amount is included in impairment loss on program-related equity investments and loan and interest receivable in the accompanying consolidating statement of activities.

(5) **LOANS AND INTEREST RECEIVABLE** (Continued)

BCLF Ventures, LLCs (Continued)

During 2008, a favorable judgment was awarded to 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. Ventures I, LLC did not receive repayment of loans and interest receivable as a result of the company's liquidation process. As a result, Ventures I, LLC recognized impairment losses on the program-related equity investments loan and interest receivable of $250,123 and $74,255, respectively (see Note 4).

During 2009 and 2008, there were no additional impairment losses on loans or interest receivable in the BCLF Ventures, LLCs.

Foreclosure and Home Mortgage Services

During 2009, Aura Mortgage issued eleven mortgage loan agreements to low-income individuals in Massachusetts totaling $1,912,138. These loans bear interest at rates ranging from 6.5% - 7.5% and mature at various dates through 2039. Monthly payments of principal and interest are due in amounts between $678 to $2,245. Nine of the properties financed by Aura Mortgage were purchased by the borrowers from NSP. As of December 31, 2008, Aura Mortgage had not financed any properties.

Principal maturities of the remaining loans receivable as of December 31, 2009, are as follows:

Year	
2010	$ 22,707
2011	24,246
2002	25,889
2013	28,544
2014	29,519
Thereafter	1,773,517
	1,904,422
Less - allowance for loan losses (see Note 6)	357,153
	$1,547,269

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

Affiliate Loan

In 2009, Managed Assets signed two unsecured note receivable agreements with BCLF Ventures II, LLC for a total of $175,821. BCLF Ventures II, LLC used the proceeds of these notes to obtain an additional program-related equity investment in one of the investee companies (see Note 3). The notes accrue interest at 8% and mature on July 31, 2010, at which time all accrued interest is also due. The principal of these notes, plus $10,926 of accrued interest, are included in other current assets in Managed Assets and interest and accounts payable in BCLF Ventures, LLCs in the accompanying consolidating statement of financial position as of December 31, 2009.

(6) ALLOWANCE FOR LOAN LOSSES AND LOAN LOSS RESERVES

Loan Fund

Loan loss reserves is the term used by the Loan Fund and certain significant 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:

	2009	2008
Allowance for loan losses (see below)	$3,136,080	$2,014,810
Board designated net assets for loan loss reserves (see Note 2)	2,331,898	2,075,042
	$5,467,978	$4,089,852

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:

	2009	2008
Balance, beginning of year	$2,014,810	$1,038,374
Loan loss provision	1,097,271	821,378
Adjustment for non-accrual loans receivable	23,999	155,058
Balance, end of year	$3,136,080	$2,014,810

Aura Mortgage

The allowance for loan losses is management's estimate of expected loan losses on Aura Mortgage's loans receivable. It is management's policy to record approximately 20% of the initial principal balance of these loans receivable in the allowance for loan losses due to the inherent risk of these loans. Total allowance for loan losses for Aura Mortgage as of December 31, 2009, is $357,153. The provision associated with the allowance has been netted with the gain on sales of the mortgaged properties realized by NSP.

(7) PROPERTY AND EQUIPMENT

Holding Company

Property and equipment as of December 31, 2009 and 2008, are as follows:

	2009	2008
Computer equipment	$229,268	$139,591
Office equipment	91,533	77,493
Leasehold improvements	80,070	80,070
	400,871	297,154
Less - accumulated depreciation	288,469	284,366
	$112,402	$ 12,788

SEA

During 2008, SEA substantially completed construction of solar panel projects at five affordable housing complexes in Massachusetts. In 2009, these projects were placed in service and SEA also undertook similar projects at two other sites, which were also substantially completed and placed in service by December 31, 2009. 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:

	2009	2008
Solar energy panels and installation	$11,149,785	$6,795,308
Less - MRET rebates and Section 1603 payments	(4,806,097)	-
Less - EAP grants received from Holding Company (see Note 2)	(3,775,000)	-
Depreciable cost basis	2,568,688	6,795,308
Less - accumulated depreciation	(129,016)	-
	$ 2,439,672	$6,795,308

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, 2009. Management expects to maintain compliance throughout the five year recapture period applicable to these projects.

The Holding Company has acted as developer for all the solar energy projects owned and operated by SEA to date. The Holding Company earned $1,391,978 in 2009 for these services, all of which was paid as of December 31, 2009. These fees have not been eliminated in the accompanying consolidating financial statements since they were paid substantially by third party grant and rebate payments (see page 33).

(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 2009 of approximately $135,000 is included in program revenue and fees on the accompanying 2009 consolidating statement of activities. Each agreement has an option for the host to terminate it 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.

As part of the production of energy through the solar energy projects, SEA earns Renewable Energy Certificates (RECs) under the Commonwealth of Massachusetts' Renewable Portfolio Standard program. In 2009, SEA signed 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 2009 of approximately $26,000 is included in program revenue and fees on the accompanying 2009 consolidating statement of activities. SEA is obligated to sell certain amounts of RECs to one of the utility companies from 2010 through 2012.

NSP

In connection with activities of NSP, foreclosed condominium 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 was $990,855 and $61,956 as of December 31, 2009 and 2008, respectively. As of December 31, 2009, NSP has offers outstanding on four additional properties.

Total property and equipment as of December 31, 2009 and 2008, consist of the following:

	2009	2008
Holding Company office	$ 112,402	$ 12,788
SEA solar energy equipment	2,439,672	6,795,308
NSP real estate holdings	990,855	61,956
	$3,542,929	$6,870,052

(8) LOANS PAYABLE

Loan Fund

Loans payable of the Loan Fund represent loans by approximately 300 lenders ("investors") in principal amounts ranging from $500 to $15,000,000. 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.

(8) LOANS PAYABLE (Continued)

Loan Fund (Continued)

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 2% (3.23% and 2.46% at December 31, 2009 and 2008, respectively). There were no amounts outstanding under this agreement as of December 31, 2009 and 2008. The line of credit expires in July, 2011.

The Corporation also has 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 bear interest at FNMA's five-year cost of funds, plus 25 basis points (4.38% at December 31, 2009 and 2008). As of December 31, 2009 and 2008, $4,000,000 was outstanding under this agreement.

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 (4.12% at December 31, 2009 and 2008) 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 2009 and 2008, $7,780,000 was outstanding on this line of credit. The first draw of $4,820,000 bears interest at a fixed rate of 4.26% and the second draw of $2,960,000 bears interest at a fixed rate of 4.12%. 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, 2009 and 2008. There was $500,000 outstanding under this agreement as of December 31, 2009. There was no outstanding balance as of December 31, 2008.

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, 2009 and 2008, the Corporation was in compliance with these covenants. The balance of loans payable of the Loan Fund were as follows as of December 31:

	2009	2008
Lines of credit	$12,280,000	$11,780,000
Other loans payable	40,993,239	41,423,455
	$53,273,239	$53,203,455

(8) LOANS PAYABLE (Continued)

Maturities

Maturities of all loans payable as of December 31, 2009, are as follows:

Year	Loan Fund	Venture Fund	Total
2010	$ 9,783,408	$ -	$ 9,783,408
2011	4,019,716	-	4,019,716
2012	7,350,588	-	7,350,588
2013	1,553,926	-	1,553,926
2014	8,758,000	-	8,758,000
Thereafter	21,807,601	15,000	21,822,601
Total loans	$53,273,239	$15,000	$53,288,239

The current maturities as of December 31, 2009 and 2008, include $342,909 and $485,285, 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 (36 and 38 individual loans as of December 31, 2009 and 2008, 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. 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.

Maturity dates of principal over the next five years as of December 31, 2009, are as follows:

2010	$ 172,698
2011	$ 46,083
2012	$ 47,013
2013	$ 47,962
2014	$ 48,930
Thereafter	$14,887,314

As of December 31, 2009 and 2008, $2,300,000 of the proceeds of these loans were loaned to the Venture Fund to finance a portion of the Venture Fund's investments in Ventures I, LLC and Ventures II, LLC (see Note 4). The Venture Fund has also borrowed $100,000 from the Holding Company for the same purpose. As of December 31, 2009 and 2008, $3,000,000 of the proceeds were loaned from the Loan Fund 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 and are unsecured. Interest on these borrowings totaled $159,000 and $84,000 in 2009 and 2008, respectively. The remaining proceeds of $9,950,000 as of December 31, 2009 and 2008, 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 $131,276 and $133,241 for 2009 and 2008, 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 $5,700 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:

2010	$199,503
2011	$118,726
2012	$ 99,425
2013	$114,875
2014	$120,982

(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 2009 and 2008 was $90,979 and $80,240, 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.

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).

(12) FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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:

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$29,503,809	$29,503,208	$24,350,187	$24,350,187
Investments	$ 2,904,010	$ 2,904,010	$ 3,562,699	$ 3,562,699
Program-related equity investments	$14,821,070	$14,821,070	$13,233,868	$13,233,868
Loans and interest receivable, net	$68,382,229	$68,511,315	$63,226,527	$64,030,323
Loans payable	$53,288,239	$52,979,912	$53,218,455	$52,805,399
Permanent Loan Capital - Subordinated Loans Payable	$15,250,000	$15,250,000	$15,250,000	$15,250,000

(13) CONTINGENCY

Ventures I, LLC and the Holding Company are currently part of a group of defendants in a lawsuit brought by minority shareholders (the plaintiffs) of a company in which Ventures I, LLC has a program-related equity investment (the Company). The group of defendants also includes other shareholders of the Company, who had larger investments in the Company than Ventures I, LLC, and directors of the Company. While the plaintiffs were originally seeking damages in excess of \$700,000, they have recently proposed a settlement at approximately 50% of the original damages, from the group of dependants in connection with this dispute. All parties to the lawsuit, including Ventures I, LLC and the Holding Company, deny any wrongdoing in this case and are taking legal steps in defense of this dispute, as well as negotiating for settlement at an amount substantially smaller than the damages sought. Because of the relatively small stake of the Company owned by Ventures I, LLC, management believes it would only be liable for a de minimis portion of any resulting settlement or judgment. As of December 31, 2009, the outcome of this lawsuit is uncertain and the amount of possible damages is uncertain and cannot reasonably be estimated. Accordingly, no provision for loss related to this lawsuit has been recorded in the accompanying consolidating financial statements.

(14) RECLASSIFICATIONS

Certain amounts in the 2008 consolidating financial statements have been reclassified to conform with the 2009 presentation.

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 $2,363,827	23,207,304	1,287	-	-	-	22,707	-	23,231,298	1,447,706	-	24,679,004
Grants and rebates receivable	-	-	-	100,000	767,175	-	-	867,175	-	-	867,175
Other current assets	103,200	222,636	645,384	67,763	84,215	27,223	-	1,150,421	-	(839,125)	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	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	839,125	(839,125)	1,135,764
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 of -											
BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	-	12,063,668	12,063,668
SUN Initiative, 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 FINANCIAL POSITION
DECEMBER 31, 2008

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES									
ASSETS	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	AURA MORTGAGE	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
CURRENT ASSETS:										
Cash and cash equivalents	$ 10,438,635	$ 5,119,387	$ 3,659	$ 2,864,742	$ 265,552	$ -	$ 18,691,975	$ 317,799	$ -	$ 19,009,774
Cash and cash equivalents - escrow funds	2,048,838	3,291,575	-	-	-	-	5,340,413	-	-	5,340,413
Short-term investments in marketable securities	-	1,014,209	-	-	-	-	1,014,209	-	-	1,014,209
Current portion of loans and interest receivable, net of allowance for loan losses of $1,789,151	20,955,954	1,250	-	-	-	-	20,957,204	452,835	-	21,410,039
Grants receivable	-	-	-	100,000	-	-	100,000	-	-	100,000
Other current assets	122,484	43,230	143,260	80,522	4,262	-	393,758	-	(171,524)	222,234
Total current assets	33,565,911	9,469,651	146,919	3,045,264	269,814	-	46,497,559	770,634	(171,524)	47,096,669
INVESTMENTS IN MARKETABLE SECURITIES	1,724,063	824,427	-	-	-	-	2,548,490	-	-	2,548,490
LOANS AND INTEREST RECEIVABLE, net of current portion and allowance for loan losses of $225,659	40,875,915	60,765	-	-	-	-	40,936,680	879,808	-	41,816,488
AFFILIATE LOANS RECEIVABLE	5,300,000	-	-	-	-	(5,300,000)	-	-	-	-
PROGRAM-RELATED EQUITY INVESTMENTS	-	-	-	-	-	-	-	13,233,868	-	13,233,868
INVESTMENTS IN AFFILIATES	-	27,225	3,718,918	-	-	(780,000)	2,966,143	-	(2,938,918)	27,225
PROPERTY AND EQUIPMENT, net	-	-	-	6,870,052	-	-	6,870,052	-	-	6,870,052
Total assets	$ 81,465,889	$ 10,382,068	$ 3,865,837	$ 9,915,316	$ 269,814	$ (6,080,000)	$ 99,818,924	$ 14,884,310	$ (3,110,442)	$ 111,592,792
LIABILITIES, NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS										
CURRENT LIABILITIES:										
Current portion of loans payable	$ 9,303,865	$ -	$ -	$ -	$ -	$ -	$ 9,303,865	$ -	$ -	$ 9,303,865
Interest and accounts payable	318,629	6,681	-	960,586	-	-	1,285,896	171,524	(171,524)	1,285,896
Escrow funds	2,048,838	3,291,575	-	-	-	-	5,340,413	-	-	5,340,413
Total current liabilities	11,671,332	3,298,256	-	960,586	-	-	15,930,174	171,524	(171,524)	15,930,174
LOANS PAYABLE, net of current portion	43,899,590	-	15,000	-	-	-	43,914,590	-	-	43,914,590
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE	15,250,000	-	2,400,000	2,900,000	-	(5,300,000)	15,250,000	-	-	15,250,000
NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:										
Unrestricted -										
General	6,561,349	7,056,587	131,919	618,216	-	269,814	14,637,885	-	-	14,637,885
Board designated for permanent loan capital and special programs	1,132,500	-	-	-	-	-	1,132,500	-	-	1,132,500
Board designated for loan loss reserves	2,075,042	-	-	-	-	-	2,075,042	-	-	2,075,042
Board designated for affiliate investments	-	27,225	1,318,918	-	-	(780,000)	566,143	-	-	566,143
Total unrestricted	9,768,891	7,083,812	1,450,837	618,216	-	(510,186)	18,411,570	-	-	18,411,570
Temporarily restricted -										
Permanent loan capital	876,076	-	-	-	-	-	876,076	-	-	876,076
Special Program Collaborative	-	-	-	407,075	-	-	407,075	-	-	407,075
Energy Advantage Program	-	-	-	4,798,852	-	-	4,798,852	-	-	4,798,852
Other purpose restrictions	-	-	-	230,587	-	-	230,587	-	-	230,587
Total temporarily restricted	876,076	-	-	5,436,514	-	-	6,312,590	-	-	6,312,590
Sub-total net assets	10,644,967	7,083,812	1,450,837	6,054,730	-	(510,186)	24,724,160	-	-	24,724,160
Members' investment - Aura Mortgage Advisors, LLC	-	-	-	-	269,814	(269,814)	-	-	-	-
Members' investment - BCLF Ventures, LLCs	-	-	-	-	-	-	-	14,712,786	(14,712,786)	-
Non-controlling interests in members' investment of BCLF Ventures, LLCs	-	-	-	-	-	-	-	-	11,773,868	11,773,868
Total net assets and non-controlling interests in members' investments	10,644,967	7,083,812	1,450,837	6,054,730	269,814	(780,000)	24,724,160	14,712,786	(2,938,918)	36,498,028
Total liabilities, net assets and non-controlling interests in members' investments	$ 81,465,889	$ 10,382,068	$ 3,865,837	$ 9,915,316	$ 269,814	$ (6,080,000)	$ 99,818,924	$ 14,884,310	$ (3,110,442)	$ 111,592,792

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 -											
Interest on loans, net	$ 4,539,971	$ 14,881	$ -	$ 93,457	$ -	$ 40,164	$ (252,000)	$ 4,436,473	$ 196,547	$ -	$ 4,633,020
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
Investment income	149,295	25,464	-	11,342	2,786	8,613	-	197,500	24,203	-	221,703
Less - interest and financing expense	(2,581,427)	-	(72,000)	(90,000)	(67,882)	(2,000)	252,000	(2,561,309)	-	-	(2,561,309)
Net loan loss provision	(1,097,271)	-	-	-	-	-	-	(1,097,271)	-	-	(1,097,271)
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	55,604	-	259,744	-	-	259,744
Program expenses	-	-	-	210,221	11,000	6,513	-	227,734	-	-	227,734
Legal	4,892	8,274	2,160	4,960	64,009	39,052	-	123,347	61,926	-	185,273
Consultants	47,043	759	15,175	53,068	1,518	29,405	-	146,968	-	-	146,968
Insurance and other	13,263	7,900	4,109	1,322	66,592	25,274	-	118,460	26,526	-	144,986
Depreciation	-	-	-	4,103	129,016	-	-	133,119	-	-	133,119
Marketing	32,303	1,239	7,457	75,786	3,921	5,330	-	126,036	-	-	126,036
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 realized and unrealized gains 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)

BOSTON COMMUNITY CAPITAL, INC. AND AFFILIATES

COMBINING AND CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	BOSTON COMMUNITY CAPITAL, INC. AND OPERATING AFFILIATES									
	LOAN FUND	MANAGED ASSETS	VENTURE FUND	HOLDING COMPANY	AURA MORTGAGE	ELIMINATIONS	TOTAL OPERATIONS	BCLF VENTURES, LLCs	ELIMINATIONS	TOTAL
UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:										
OPERATING REVENUES:										
Financial and earned revenue -										
Interest on loans, net	$ 4,181,399	$ 3,707	$ -	$ 10,595	$ -	$ (93,885)	$ 4,101,816	$ 108,538	$ -	$ 4,210,354
Program revenue and fees	558,785	3,437,623	645,900	61	12,130	-	4,654,499	-	(645,900)	4,008,599
Investment income	299,500	148,713	-	8,117	-	-	456,330	20,361	-	476,691
Less - interest expense	(2,263,908)	-	(72,000)	(21,885)	-	93,885	(2,263,908)	-	-	(2,263,908)
Net loan loss provision	(821,378)	-	-	-	-	-	(821,378)	-	-	(821,378)
Net financial and earned revenue	1,954,398	3,590,043	573,900	(3,112)	12,130	-	6,127,359	128,899	(645,900)	5,610,358
Grants and contributions	-	-	-	350,812	-	-	350,812	-	-	350,812
Net assets released from restrictions	-	-	-	250,493	-	-	250,493	-	-	250,493
Less - pass-through of special program costs	-	-	-	(263,138)	-	-	(263,138)	-	-	(263,138)
Total operating revenues	1,954,398	3,590,043	573,900	335,055	12,130	-	6,465,526	128,899	(645,900)	5,948,525
OPERATING EXPENSES:										
Personnel	1,257,699	250,465	589,886	575,744	103,707	-	2,777,501	-	-	2,777,501
Office operations	197,330	11,039	18,103	42,640	17,904	-	287,016	-	-	287,016
Legal	7,796	12,845	314	82,256	4,674	-	107,885	290,728	-	398,613
Consultants	51,057	630	13,238	291,513	3,695	-	360,133	-	-	360,133
Insurance and other	13,165	7,507	6,905	11,189	10,483	-	49,249	15,938	-	65,187
Depreciation	-	-	-	19,293	-	-	19,293	-	-	19,293
Marketing	31,039	1,194	7,163	79,986	1,601	-	120,983	-	-	120,983
Accounting and investment fees	48,729	686	14,413	4,804	-	-	68,632	29,084	-	97,716
Travel	14,026	2	4,992	10,719	3,201	-	32,940	-	-	32,940
Management services	-	-	-	-	-	-	-	645,900	(645,900)	-
Total operating expenses	1,620,841	284,368	655,014	1,118,144	145,265	-	3,823,632	981,650	(645,900)	4,159,382
Changes in unrestricted net assets and non-controlling interests in members' investments from operations	333,557	3,305,675	(81,114)	(783,089)	(133,135)	-	2,641,894	(852,751)	-	1,789,143
OTHER CHANGES IN UNRESTRICTED NET ASSETS AND NON-CONTROLLING INTERESTS IN MEMBERS' INVESTMENTS:										
Net realized and unrealized gains on program-related equity investments	-	-	-	-	-	-	-	148,757	-	148,757
Impairment loss on program-related equity investments and loan and interest receivable	-	-	-	-	-	-	-	(1,465,703)	-	(1,465,703)
Share of loss of consolidating affiliates	-	-	(169,335)	-	-	-	(169,335)	-	169,335	-
Net asset transfers for support of new initiatives	-	(1,400,000)	400,000	1,000,000	-	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	1,685,871	-	1,685,871
Changes in unrestricted net assets and non-controlling interests in members' investments	333,557	1,905,675	149,551	216,911	(133,135)	-	2,472,559	(483,826)	169,335	2,158,068
TEMPORARILY RESTRICTED NET ASSETS:										
Grants and contributions	950	-	-	199,900	-	-	200,850	-	-	200,850
Interest	-	-	-	65,565	-	-	65,565	-	-	65,565
Net assets released from restrictions	-	-	-	(250,493)	-	-	(250,493)	-	-	(250,493)
Changes in temporarily restricted net assets	950	-	-	14,972	-	-	15,922	-	-	15,922
Changes in net assets and non-controlling interests in members' investments	$ 334,507	$ 1,905,675	$ 149,551	$ 231,883	$ (133,135)	$ -	$ 2,488,481	$ (483,826)	$ 169,335	$ 2,173,990