

BCC & Affiliates

	2009	2010	2011	2012	2013
Revenue					
Interest Income - Loan	4,558,045	4,915,013	5,600,000	6,350,000	6,800,000
Fee Income - LF	459,919	394,197	500,000	590,000	625,000
Grant Income	1,478,736	591,000	475,000	225,000	225,000
SEA - kWatts Based Income	167,366	437,691	874,253	1,399,746	1,441,739
SEA - Development Fee	1,391,978	151,597	231,679	367,624	0
Mortgage Interest Inc	40,164	477,034	2,199,825	3,036,863	3,605,114
Mortgage Appl Fee Inc	21,482	196,838	420,825	511,088	581,925
SUN - Gain on Bulk Sale (Mortgages)	0	0	0	616,563	625,625
NMTC - fee income	1,794,637	7,150,925	4,460,925	5,610,586	3,404,526
Venture Fees	647,747	645,900	645,900	645,900	535,900
Other Income	11,694	0	0	0	0
Interest Inc - Idle Cash	198,962	60,845	50,000	75,000	75,000
Total Revenue	10,770,730	15,021,039	15,458,407	19,428,369	17,919,829
Interest Expense	2,767,429	2,693,100	2,914,000	3,314,000	3,514,000
Loan Loss Provision	1,200,276	999,996	800,000	700,000	750,000
SEA - Direct Cost	95,709	76,575	114,918	159,960	164,759
Depreciation	129,016	259,557	593,986	1,052,822	1,052,822
Mortgage Investor Int Exp	0	374,497	1,204,769	2,169,200	2,249,313
Mortgage Processing Exp	0	0	36,138	142,450	217,875
Mortgage Provision - Bad Debt	0	0	109,991	227,765	270,384
Other Program expenses	248,504	339,606	369,471	398,410	430,153
Grant Expense	180,680	0	0	0	0
Total Direct & Program Expense	4,621,614	4,743,331	6,143,272	8,164,607	8,649,305
Net Financial Income	6,149,116	10,277,707	9,315,135	11,263,762	9,270,524
Salaries & Benefits	3,152,425	3,826,968	4,622,316	5,157,432	5,415,303
Consultants/Subcontractors	61,086	102,808	113,088	124,397	136,837
New Initiatives	63,057	500,000	500,000	500,000	500,000
Marketing	126,037	138,641	227,505	250,255	275,281
Office Operations Expenses	589,033	606,704	624,905	643,652	662,962
Organizational Support Expenses	97,788	100,722	103,743	106,856	110,061
Total Operating Expenses	4,089,426	5,275,841	6,191,557	6,782,592	7,100,444
Net Surplus	2,059,690	5,001,866	3,123,577	4,481,170	2,170,080

Total BCC & Affiliates

	2009	2010	2011	2012	2013
ASSETS					
Cash and Cash Investments	16,930,357	11,107,245	9,989,646	21,869,384	19,344,881
Cash committed for loans/investments	-	-	-	-	-
Cash for Energy Investment	-	-	-	-	-
Funds held for others	11,845,131	11,845,131	11,845,131	11,845,131	11,845,131
Total, Cash and Cash Investments	28,775,488	22,952,376	21,834,777	33,714,515	31,190,012
Accounts Receivable					
Operating accounts receivable	753,060	970,717	1,148,396	1,259,445	1,314,970
Grants receivable	867,175	867,175	867,175	867,175	867,175
Principal and interest payments	965,833	1,244,987	1,472,868	1,615,294	1,686,507
Total, Accounts Receivable	2,586,068	3,082,879	3,488,439	3,741,914	3,868,652
Loans Receivable (net of participations)					
Loans Receivable - Mortgage	2,152,039	18,229,579	52,357,689	65,516,041	80,055,327
Intercompany Loans	-	-	-	-	-
Loan Receivable (net of participations)	67,813,113	87,413,113	103,413,113	113,413,113	118,413,113
Total, Loans Receivable	69,965,152	105,642,692	155,770,802	178,929,154	198,468,440
Loan loss reserves	(3,493,233)	(7,711,357)	(14,927,675)	(24,937,632)	(35,656,344)
Total, Loans Receivable (net of reserves)	66,471,919	97,931,335	140,843,127	153,991,522	162,812,095
Other Assets					
Prepaid expenses and security deposit	213,319	267,196	357,268	416,687	427,418
Fixed assets (net of depreciation)	3,542,930	4,371,501	7,246,599	11,699,805	10,646,983
Memberships in Affiliates	3,304,941	3,304,941	3,304,941	3,304,941	3,304,941
Membership In Aura	2,069,814	2,069,814	2,069,814	2,069,814	2,069,814
Total Other Assets	9,131,004	10,013,452	12,978,622	17,491,247	16,449,155
TOTAL ASSETS	106,964,479	133,980,042	179,144,965	208,939,198	214,319,914
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	1,129,083	1,257,780	1,566,590	1,988,528	2,099,164
Deferred Revenue	274,294	324,294	424,294	524,294	624,294
Investor loans payable combine with loans	45,008,239	54,228,239	66,728,239	74,728,239	77,728,239
Sun Warehouse line	-	12,615,000	39,585,000	52,925,000	52,925,000
Loans payable	8,280,000	8,280,000	8,280,000	8,280,000	8,280,000
Funds held for others	11,845,131	11,845,131	11,845,131	11,845,131	11,845,131
Total Liabilities	66,536,747	88,550,444	128,429,254	150,291,192	153,501,828
Permanent Capital, Subordinated Debt					
Equity equivalent investments -	15,250,000	15,250,000	15,250,000	15,250,000	15,250,000
Equity Investment - SEA	-	-	2,162,536	5,613,660	5,613,660
Members' Capital: BCVF Investment in LLC	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000
Total Permanent Capital, Sub debt	17,830,000	17,830,000	19,992,536	23,443,660	23,443,660
Net Assets and Equity					
Temporarily Restricted					
Net assets temp. rest. (perm cap/investment)	877,091	877,091	877,091	877,091	877,091
Net assets temp. rest. (other)	1,380,835	6,382,701	9,506,278	13,987,448	16,157,528
Total Net Assets Temporarily Restricted	2,257,926	7,259,792	10,383,369	14,864,539	17,034,619
Unrestricted					
Net Assets, Unrestricted	17,862,620	17,862,620	17,862,620	17,862,620	17,862,620
Net assets, unrest. Designated Loan Loss Reserve	2,331,898	2,331,898	2,331,898	2,331,898	2,331,898
Fixed Assets 12/31/05	145,288	145,288	145,288	145,288	145,288
Net Assets, Unrestricted	20,339,806	20,339,806	20,339,806	20,339,806	20,339,806
Total Net Assets	22,597,732	27,599,598	30,723,175	35,204,345	37,374,425
TOTAL LIABILITIES AND NET ASSETS	106,964,479	133,980,042	179,144,965	208,939,198	214,319,914

CASH FLOW

Net Surplus	5,001,866	3,123,577	4,481,170	2,170,080
Add: Depreciation	259,557	593,986	1,052,822	1,052,822
Increase on Reserve for losses	999,996	909,991	927,765	1,020,384
Net Surplus after Non-Cash Expenses	6,261,419	4,627,555	6,461,757	4,243,285
Changes in Current Assets				
Investments				
Change in Energy Advance Cash	-	-	-	-
Operating accounts receivable	(217,657)	(177,679)	(111,049)	(55,525)
Grants receivable	-	-	-	-
Principal and interest payments	(279,154)	(227,881)	(142,426)	(71,213)
Prepaid expenses and security deposit	(53,877)	(90,072)	(59,419)	(10,731)
Accounts payable and accrued expenses	128,697	308,810	421,938	110,637
Deferred Revenue	50,000	100,000	100,000	100,000
Operating Changes	5,889,428	4,540,732	6,670,801	4,316,454
Loans Disbursement - Loan Fund	33,000,000	36,000,000	40,000,000	42,000,000
Payments of Permanent Capital - Loan Fund	6,000,000	5,500,000	3,000,000	3,000,000
Mortgage Disbursements - NSP/Aura/Sun	13,009,219	27,812,813	31,401,563	32,896,875
Fixed Asset Additions - SEA	1,088,128	3,469,084	5,506,028	-
Total Cash Disbursed for Non Operations	53,097,347	72,781,896	79,907,591	77,896,875
Payments Received - Loan Fund	13,400,000	20,000,000	30,000,000	37,000,000
Additional Permanent Investment/LT Loans - Loan Fund	15,220,000	18,000,000	11,000,000	6,000,000
Mortgages Payments - NSP/Aura/Sun	85,429	427,202	855,711	1,332,589
Foreclosure (expense) sales - NSP/Aura/Sun	64,378	(436,173)	1,469,692	1,723,328
Additions to Sun Warehouse line - NSP/Aura/Sun	12,615,000	26,970,000	13,340,000	-
Bulk Sales of Mortgages - NSP/Aura/Sun	-	-	25,000,000	25,000,000
Additions Permanent Investments - SEA	-	2,162,536	3,451,124	-
Changes in Restricted Assets	-	-	-	-
Total Cash Received for Non Operations	41,384,807	67,123,565	85,116,527	71,055,918
Change in Cash	(5,823,112)	(1,117,599)	11,879,738	(2,524,503)
Cash Beginning of Year	16,930,357	11,107,245	9,989,646	21,869,384
Cash End of Year	11,107,245	9,989,646	21,869,384	19,344,881

Loan Fund

	2009	2010	2011	2012	2013
Revenue					
Interest Income - Loan	4,539,971	4,915,013	5,600,000	6,350,000	6,800,000
LF - Fee Income	459,655	394,197	500,000	590,000	625,000
Grant Income	1,000,000				
SEA - kWatts Based Income					
SEA - Development Fee					
Mortgage Interest Inc					
Mortgage Appl Fee Inc					
SUN - Gain on Bulk Sale (Mortgages)					
NMTC - fee income					
Venture Fees					
Other Income					
Interest Income - Idle Cash	153,543	60,845	50,000	75,000	75,000
Total Revenue	6,153,169	5,370,055	6,150,000	7,015,000	7,500,000
Interest Expense	2,581,428	2,579,100	2,800,000	3,200,000	3,400,000
Loan Loss Provision	1,200,276	999,996	800,000	700,000	750,000
SEA - Direct Cost					
Depreciation					
Mortgage Investor Int Exp					
Mortgage Processing Exp					
NSP Reserve for Bad Debt					
Other Program expenses	31,810	34,991	38,490	42,339	46,573
Grant Expense					
Total Direct & Program Expense	3,813,514	3,614,087	3,638,490	3,942,339	4,196,573
Net Financial Income	2,339,655	1,755,968	2,511,510	3,072,661	3,303,427
Salaries & Benefits	1,144,050	1,201,253	1,361,315	1,529,381	1,605,850
Consultants/Subcontractors	0	-	-	-	-
New Initiatives					
Marketing	0	-	-	-	-
Office Operations Expenses	345,729	356,101	366,784	377,787	389,121
Organizational Support Expenses	47	48	50	51	53
Total Operating Expenses	1,489,826	1,557,402	1,728,149	1,907,220	1,995,024
Net Surplus	849,829	198,566	783,361	1,165,441	1,308,403

SEA	2009	2010	2011	2012	2013
Revenue					
Interest Income - Loans					
Fee Income - LF					
Grant Income		50,000			
SEA - kWatts Based Income	167,366	437,691	874,253	1,399,746	1,441,739
SEA - Development Fee					
Mortgage Interest Inc					
Mortgage Appl Fees					
SUN Gain Bulk Sale (Mortgages)					
NMTC - Fee Income					
Venture Fees					
Other Income					
Interest Inc - Idle Cash					
Total Revenue	167,366	487,691	874,253	1,399,746	1,441,739
Interest Expense/Financing fees	22,000	114,000	114,000	114,000	114,000
Loan Loss Provision					
SEA - Direct Cost	95,709	76,575	114,918	159,960	164,759
Depreciation	129,016	259,557	593,986	1,052,822	1,052,822
Mortgage Investor Int Exp					
Mortgage Processing Exp					
Mortgage Provision - Bad Debt					
Other Program expenses		50,000	50,000	50,000	50,000
Grant Expense					
Total Direct & Program Expense	246,725	500,132	872,904	1,376,782	1,381,581
Net Financial Income	(79,359)	(12,441)	1,349	22,964	60,158
Salaries & Benefits	110,726	116,262	122,075	128,179	134,588
Consultants/Subcontractors	(7,830)	27,000	29,700	32,670	35,937
New Initiatives					
Marketing	1,436	1,580	1,738	1,911	2,102
Office Operations Expenses	19,242	19,819	20,414	21,026	21,657
Organizational Support Expenses	66,133	68,117	70,160	72,265	74,433
Total Operating Expenses	189,707	232,778	244,087	256,052	268,718
Net Surplus	(269,066)	(245,219)	(242,738)	(233,088)	(208,560)
Depreciation	129,016	259,557	593,986	1,052,822	1,052,822
SEA EBTIDA	(140,050)	14,338	351,248	819,734	844,262
Development Fee, Less Adjustment for Salaries	1,291,978	51,597	131,679	267,624	-
Total	1,151,928	65,934	482,927	1,087,358	844,262

NSP/Aura/SUN - Mortgage Foreclosure

	2009	2010	2011	2012	2013
Stats					
Number of Loans	11	87	186	210	220
Bulk Sale of Loans	0	0	0	137	138
Interest Rate	6.50%	6.13%	6.25%	6.50%	6.50%
Bad Debt Reserve	10%	0%	5%	8%	8%
Foreclosure Reserve	5%	0%	5%	5%	5%
Draw Down Of Sun Line		12,615,000	26,970,000	13,340,000	-
Balance of Sun Line		12,615,000	39,585,000	52,925,000	52,925,000
Revenue					
Interest Income - Loan					
Fee Income - LF					
Grant Income		150,000	250,000		
SEA - kWatts Based Income					
SEA - Development Fee					
Mortgage Interest Inc	40,164	477,034	2,199,825	3,036,863	3,605,114
Mortgage Appl Fees/Service	21,482	196,838	420,825	511,088	581,925
SUN Gain Bulk Sale (Mortgages)		-	-	616,563	625,625
NMTC Fee Income					
Venture Fees					
Other Income	11,694				
Interest Inc - Idle Cash	8,613				
Total Revenue	81,953	823,871	2,870,650	4,164,513	4,812,664
Interest Expense	2,000				
Loan Loss Provision					
SEA - Direct Cost					
Depreciation					
Mortgage Investor Int Exp		374,497	1,204,769	2,169,200	2,249,313
Mortgage Processing Exp			36,138	142,450	217,875
Mortgage Provision - Bad Debt		-	109,991	227,765	270,384
Other Program expenses	19,988	38,239	42,966	44,255	45,583
Grant Expense					
Total Direct & Program Expense	21,988	412,736	1,393,864	2,583,670	2,783,154
Net Financial Income	59,965	411,136	1,476,786	1,580,843	2,029,510
Salaries & Benefits	499,060	1,040,934	1,196,981	1,360,830	1,428,872
Consultants/Subcontractors	20,402	22,442	24,686	27,155	29,871
New Initiatives					
Marketing	360	396	436	479	527
Office Operations Expenses	85,405	87,967	90,606	93,324	96,124
Organizational Support Expense	23,965	24,684	25,424	26,187	26,973

Total Operating Expenses	629,192	1,176,424	1,338,134	1,507,976	1,582,366
Net Surplus	(569,227)	(765,288)	138,652	72,867	447,144

BCC Managed Assets & Ventures

	2009	2010	2011	2012	2013
Revenue					
Interest Income - Loan	18,074				
Fee Income - LF	264				
Grant Income	478,736	391,000	225,000	225,000	225,000
SEA - Watts Fee					
SEA - Development Fee	1,391,978	151,597	231,679	367,624	-
Mortgage Interest Inc					
Mortgage Applic/Service Fee					
SUN Gain Bulk Sale (Mortgages)					
NMTC - Fee Income	1,794,637	7,150,925	4,460,925	5,610,586	3,404,526
Venture Fees	647,747	645,900	645,900	645,900	535,900
Other Income					
Interest Inc - Idle Cash	36,806				
Total Revenue	4,368,242	8,339,422	5,563,504	6,849,109	4,165,426
Interest Expense	162,001				
LoanLoss Provision					
SEA - Direct Cost					
Depreciation					
Mortgage Investor Int Exp					
Mortgage Processing Exp					
Mortgage Provision - Bad Debt					
Other Program expenses	196,706	216,377	238,014	261,816	287,997
Grant Expense	180,680				
Total Direct & Program Expense	539,387	216,377	238,014	261,816	287,997
Net Financial Income	3,828,855	8,123,045	5,325,490	6,587,294	3,877,429
Salaries & Benefits	1,398,589	1,468,518	1,941,944	2,139,042	2,245,994
Consultants/Subcontractors	48,514	53,365	58,702	64,572	71,029
New Initiatives	63,057	500,000	500,000	500,000	500,000
Marketing	124,241	136,665	225,332	247,865	272,651
Office Operations Expenses	138,657	142,817	147,101	151,514	156,060
Organizational Support Expenses	7,643	7,872	8,108	8,352	8,602
Total Operating Expenses	1,780,701	2,309,238	2,881,188	3,111,344	3,254,336
Net Surplus	2,048,154	5,813,807	2,444,302	3,475,949	623,092

Basic Operating Assumptions

Increase in Salary Expenses	5% per year
Increase in Office expense	3% per year
Increase in Marketing Expenses	10% per year
Increase in Consulting	10% per year
Increase in other Program expense - Loan fund - BCC & Venture c	10% per year



Boston Community Capital Internal Forecast

Prepared by: BCC, Financial Consultant (September 2010)

Reviewed by: BCC, Senior Management (September 2010)

As part of our regular planning and forecasting, we periodically undertake a longer term forecast (typically 3 years), which allows us to assess the capital needs and constraints of the entire affiliated group, in conjunction with each business area. Our process undertakes a review of the current year (post our Q-2 results - quarter ending June 30th) underway versus the original budget and then a forecast of the next three years. Often this is contrasted with a prior year of actual results. In the current forecast attached, I am outlining below the process and the important assumptions (beyond the general assumptions related to operating expenses included in the forecast file):

- Forecast includes a comparison of 2009 actual results for the year with the 2010 (essentially as budgeted with a few exceptions related to the Mortgage Foreclosure, SEA and NMTC fees) and then projects the trends and growth of the various businesses from 2011 through 2013. These projections are with the best knowledge we have of the various programs in process and don't project any major new initiatives (the forecast does not include investment in or need for future funds re: WEGOWise or additional rounds of funding for NMTC). We forecast at the major lines of business, Loan Fund, Mortgage Foreclosure initiative (NSP, Aura & SUN), SEA and the other fee related affiliates (Managed Assets which earns NMTC fees & Ventures which manages our two Venture funds).
- We have made the following assumptions for **Loan Fund**:
 - o Growth of new disbursements on Loans from \$23M in 2010 to \$33M in 2011, \$40M in 2012 to \$42M in 2013. These lending projections assume some funding of the Mortgage Foreclosure business as committed (\$10M) and SEA (\$10 - 12M) over the next two years (2011 -2012) and a return to levels of housing and community facilities lending (including a new focus on healthcare facilities) that we achieved before the recent downturn.
 - o Assumes new lending is funded by existing capital and committed investor facilities through 2012 along with repayment from customers. Depending on the mix of new lending and customer repayments on existing loans outstanding we may have need any new facilities for lending until after 2013.
 - o No significant investments in infrastructure or staff are needed to achieve these forecasts
- We have made the following assumptions regarding the **Mortgage Foreclosure Business**:
 - o Growth in properties refinanced (mortgage closings) of 11 in '09 to 87 in '10 to 186 in '12 and 220 in '13. This growth in volume is slower than our original outlook for 2010 and therefore the numbers for 2010 for this business are different from our budget. Having operated the business for just over 9 months, we now have a better forecast of increases in #'s of deals closed each month/year.
 - o It assumes we will increase our capital for this business through the SUN initiative to \$50M in available lending resources, and a smaller \$3-5M facility for outside Boston. All capital is assumed to be at a cost of 4.25% (capital used to fund business is shown underline - Draw down of Sun Line & Balance of Sun Line). We also assume that we will need to complete at least two \$25M portfolio bulk sales from the Mortgages held in order to have the funds to continue to close new loans. The first bulk sale is in 1st half of 2012.
 - o There are only a few new hires needed for this business, 3 new hires between 2011 and 2012. This may need to be modified based upon continued experience operating this new business
- We have made the following assumptions regarding **SEA**:
 - o Solar projects come on line at a pace of roughly \$10M from 2011 to 2013 - this represents projects in our current pipeline (projects we have bid on or are talking to at the proposal stage) and many that we have made commitments to.
 - o These projects require roughly \$5-6M in outside equity that we expect to raise through investors with an appetite for NMTC and solar tax credits. We would also use some internal funds from the Loan Fund to provide construction lending and



- possibly permanent lending. We many chose to use some resources form managed assets to make an equity investment depending on the structure with outside investors.
- All assumptions on revenue related to electricity generation (kWh revenue) are conservatively based upon current rates (slightly discounted) and our committed SREC contract.
 - If we were able to raise more equity using NMTC (from our pending or future allocations) we could expand the growth of this business, assuming all trends remain the same. No figures are included for this activity.
 - We have made the following assumptions regarding **Managed Assets** and our **Venture** business:
 - Fees from NMTC are based upon the committed rounds we have already funded plus the 2009 allocation being funded with two partners that have allocated projects expected to close in late 2010. Each project has an upfront fee and some ongoing fee over the life of the credit/investment. Additionally, some of our early NMTC investments are contracted to pay us “back-end” fees as the NMTC period winds down. In the current forecast we are expecting to begin receiving those fees in 2012 and 2013.
 - Ventures Inc. earns management fees for managing both Fund I and Fund II. Each of these funds are approaching end of life and the forecast assumes we liquidate Fund I in 2012 and the fee income for managing that fund stops in 2012. The bonus we may earn for the success of liquidating Fund I as a gain is not assumed in this forecast. We expect with the potential IPO of Zipcar that we have the potential to earn significant “carried interest” fees on the final liquidation of Fund I, but conservatively have not included any of this in this forecast. Although Fund II is supposed to end in 2012, the current expectation is we would need to extend that at least another year to liquidate that portfolio in a prudent manner - we therefore assume that we will continue to earn management fees through 2013 on that fund.
 - Although we have applied for an additional NMTC allocation and we are considering raising Fund III (Venture side) - we have not incorporated any fees or investments (if needed) to carry out these potential new activities.
 - In general, we made some assumptions about some overall staff hires over the next three years that include bringing on 3-5 people in 2011 through 2012. The total investment in new hires was \$500K.
 - Overall increases in expenses are outlined in the forecast file and are very conservative. They represent increases beyond the normal levels we have seen over the last several years and therefore allow for continued investment in marketing and infrastructure, as needed.