BOSTON COMMUNITY LOAN FUND, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

BOSTON COMMUNITY LOAN FUND, INC.

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DECEMBER 31, 2006 AND 2005

Alexander Aronson Finning
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boston Community Loan Fund, Inc.:

We have audited the accompanying statements of financial position of Boston Community Loan Fund, Inc. (a Massachusetts corporation, not for profit) (the Loan Fund) as of December 31, 2006 and 2005, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Loan Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Community Loan Fund, Inc. as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1 of the financial statements, Boston Community Loan Fund, Inc. is part of an affiliated group of companies and has entered into transactions with certain group members.

Alexander, Aronson Finning & Co., P.C.

Wellesley, Massachusetts
February 2, 2007

BOSTON COMMUNITY LOAN FUND, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

ASSETS	2006	2005
CURRENT ASSETS:		
Cash and cash equivalents	$ 561,391	$ 1,107,206
Cash and cash equivalents - escrow funds	498,726	507,585
Short-term investments	-	1,388,842
Current portion of loans receivable, net of allowance for loan losses of $82,505 and $50,842 as of December 31, 2006 and 2005, respectively	11,867,663	14,494,622
Grants receivable	-	1,398,750
Other current assets	403,379	319,819
Total current assets	13,331,159	19,216,824
INVESTMENTS	1,578,894	3,146,555
LOANS RECEIVABLE, net of current portion and allowance for loan losses of $235,067 and $334,005 as of December 31, 2006 and 2005, respectively	33,812,668	28,128,825
AFFILIATE LOANS RECEIVABLE	2,300,000	2,300,000
Total assets	$ 51,022,721	$ 52,792,204

LIABILITIES AND NET ASSETS	2006	2005
CURRENT LIABILITIES:		
Current portion of loans payable	$ 4,086,082	$ 5,971,380
Interest and accounts payable	276,099	250,247
Escrow funds	498,726	507,585
Total current liabilities	4,860,907	6,729,212
LOANS PAYABLE, net of current portion	23,502,543	26,653,060
PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE	13,450,000	12,450,000
Total liabilities	41,813,450	45,832,272
NET ASSETS:		
Unrestricted -		
General	5,210,898	3,313,564
Board designated for permanent loan capital	1,000,000	1,000,000
Board designated for loan loss reserves	1,991,647	1,773,092
Total unrestricted	8,202,545	6,086,656
Temporarily restricted -		
Permanent loan capital	874,226	873,276
Special Program Collaborative	132,500	-
Total temporarily restricted	1,006,726	873,276
Total net assets	9,209,271	6,959,932
Total liabilities and net assets	$ 51,022,721	$ 52,792,204

The accompanying notes are an integral part of these statements.

BOSTON COMMUNITY LOAN FUND, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
UNRESTRICTED NET ASSETS:		
OPERATING REVENUES:		
Financial and earned revenue -		
Interest on loans, net	$ 3,085,151	$ 2,148,037
Interest on investments and cash equivalents	42,479	243,880
Less - interest expense	(1,447,999)	(1,185,765)
Loan fees and other	340,853	423,424
Net loan loss recovery (provision)	67,275	(6,187)
Net financial and earned revenue	2,087,759	1,623,389
Grants and contributions	-	1,398,750
Total operating revenues	2,087,759	3,022,139
OPERATING EXPENSES:		
Personnel	1,135,807	980,163
Office operations	208,800	196,255
Consultants	38,243	58,365
Marketing	27,627	27,240
Accounting and investment fees	27,206	13,827
Insurance and other	14,247	7,984
Legal	11,623	4,571
Travel	6,597	6,899
Total operating expenses	1,470,150	1,295,304
Changes in unrestricted net assets from operations	617,609	1,726,835
OTHER CHANGES IN UNRESTRICTED NET ASSETS:		
Net realized and unrealized losses on investments	(1,720)	(3,744)
Grants from affiliates for support of lending activities:		
Support of lending activities	1,500,000	2,000,000
Other interaffiliate support	-	(26,328)
Changes in unrestricted net assets	2,115,889	3,696,763
TEMPORARILY RESTRICTED NET ASSETS :		
Grants and contributions	950	950
Grant from affiliate for support of lending activities	132,500	-
Changes in temporarily restricted net assets	133,450	950
Changes in net assets	$ 2,249,339	$ 3,697,713

The accompanying notes are an integral part of these statements.

BOSTON COMMUNITY LOAN FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	UNRESTRICTED	UNRESTRICTED - BOARD DESIGNATED		TEMPORARILY RESTRICTED		
	GENERAL	PERMANENT LOAN CAPITAL	LOAN LOSS RESERVES	PERMANENT LOAN CAPITAL	SPECIAL PROGRAM COLLABORATIVE	TOTAL
NET ASSETS, December 31, 2004	$ 213,092	$ 1,000,000	$ 1,176,801	$ 872,326	$ -	$ 3,262,219
Changes in net assets	3,696,763	-	-	950	-	3,697,713
Board transfers of unrestricted net assets	(596,291)	-	596,291	-	-	-
NET ASSETS, December 31, 2005	3,313,564	1,000,000	1,773,092	873,276	-	6,959,932
Changes in net assets	2,115,889	-	-	950	132,500	2,249,339
Board transfers of unrestricted net assets	(218,555)	-	218,555	-	-	-
NET ASSETS, December 31, 2006	$ 5,210,898	$ 1,000,000	$ 1,991,647	$ 874,226	$ 132,500	$ 9,209,271

The accompanying notes are an integral part of these statements.

BOSTON COMMUNITY LOAN FUND, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 2,249,339	$ 3,697,713
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized losses on investments	1,720	3,744
Increase (decrease) in allowance for loan losses	(67,275)	19,259
Grants for capital and investment uses	(1,500,950)	(2,000,950)
Forgiven loans payable included in contributions	(95,750)	(110,500)
Changes in operating assets and liabilities -		
Grants receivable	1,398,750	(1,398,750)
Other current assets	(83,560)	(194,092)
Due to/from affiliate	-	(45,254)
Interest and accounts payable	25,852	18,876
Deferred loan fees	35,985	146,832
Net cash provided by operating activities	1,964,111	136,878
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of loans receivable	(15,586,830)	(20,936,907)
Principal payments of loans receivable	12,561,236	8,629,562
Net proceeds of investment trading activity	2,954,783	(430,601)
Net cash used in investing activities	(70,811)	(12,737,946)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Grants for capital and investment uses	1,500,950	2,000,950
Proceeds from loans payable	16,858,872	20,051,791
Payments on loans payable	(21,798,937)	(14,408,740)
Proceeds from subordinated loans payable	1,000,000	1,300,000
Net cash provided by (used in) financing activities	(2,439,115)	8,944,001
NET DECREASE IN CASH AND CASH EQUIVALENTS	(545,815)	(3,657,067)
CASH AND CASH EQUIVALENTS, beginning of year	1,107,206	4,764,273
CASH AND CASH EQUIVALENTS, end of year	$ 561,391	$ 1,107,206
SUPPLEMENTAL DISCLOSURE -		
Cash paid for interest	$ 1,465,699	$ 1,267,297

The accompanying notes are an integral part of these statements.

(1) OPERATIONS

Boston Community Loan Fund, Inc. (the Loan Fund), a Massachusetts nonprofit corporation, was organized in December, 1984, to provide below market rate capital to community based organizations for the development of affordable housing. In 1994, its Board of Directors voted to expand its corporate purposes to include broader community development lending, which directly or indirectly benefits low-income or disadvantaged people or communities.

In September, 1994, the Loan Fund formed three affiliated Massachusetts nonprofit corporations: BCLF Managed Assets Corporation, BCLF Ventures, Inc., and BCLF, Inc. BCLF Managed Assets Corporation was formed 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. was formed to assist small community-based businesses and entrepreneurs to start, grow, and expand businesses which strengthen the low-income business community. BCLF, Inc. was formed as a holding company to manage and develop the other three nonprofit corporations and new initiatives. In 1997, to better reflect the full scope of operations of these four corporations, BCLF, Inc.'s name was changed to Boston Community Capital, Inc. (the Holding Company). Additionally, "doing business as" designations were registered for BCLF Managed Assets Corporation d/b/a Boston Community Managed Assets (Managed Assets), and for BCLF Ventures, Inc. d/b/a Boston Community Venture Fund (the Venture Fund). The affiliated nonprofits also maintain interests in other limited liability companies which have no direct relationships or transactions with the Loan Fund. Because the four affiliated nonprofit corporations are controlled by a common Board of Directors and management, the affiliated nonprofits report their collective financial results and financial position in separately issued combined and consolidating financial statements.

Nonprofit Status

The Loan Fund is exempt from Federal income taxes as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Loan Fund is also exempt from state income taxes. Donors may deduct contributions made to the Loan Fund within the requirements of the Internal Revenue Code.

Community Development Financial Institution

The Loan Fund has been granted status as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury (the Treasury), qualifying it for certain awards and support from the Treasury. The Loan Fund received a financial assistance grant commitment of $1,398,750 in 2005, which was paid in 2006. The Loan Fund has also received a $500,000 loan (see Note 6) and a $500,000 permanent loan capital-subordinated loan payable (see Note 7) from the Treasury.

(2) SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents and Concentration of Risk

For the purpose of the statements of cash flows, cash and cash equivalents consist of all highly liquid investments purchased with a maturity of three months or less. The cash and cash equivalents of the Loan Fund are held in accounts in the name of the Holding Company, and the management of the Holding Company manages the cash resources for the affiliated nonprofits jointly. The accompanying financial statements include the allocable portion of cash and cash equivalents for the Loan Fund.

Cash and cash equivalents are maintained by the Holding Company in four banks in Massachusetts. The Federal Deposit Insurance Loan Fund (FDIC) insures balances up to $100,000. 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 Loan Fund also held cash balances of $498,726 and $507,585 in escrow for outside parties as of December 31, 2006 and 2005, respectively.

Investments

The investments for the Loan Fund are also held in the name of the Holding Company, which manages the investments for the affiliated nonprofits jointly. The accompanying financial statements include the allocable portion of investments for the Loan Fund (see Note 3).

Investments are recorded at fair market value (see 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 are not insured and are subject to market fluctuations. Investment income is recognized when earned.

Net Assets

Unrestricted net assets include those net resources of the Loan Fund that bear no external restrictions. These include the Loan Fund's general net assets and net assets designated by the Board of Directors for permanent loan capital and loan loss reserves. During 2006 and 2005, the Board of Directors designated $218,555 and $596,291, respectively, of the Loan Fund's general unrestricted net assets for loan loss reserves (see Note 5).

The Board of Directors periodically authorizes transfers of the unrestricted general net assets among the related affiliates (see Note 1). Transfers from Managed Assets to the Loan Fund to support lending activities were $1,500,000 and $2,000,000 for 2006 and 2005, respectively, and are shown as grants from affiliate for support of lending activities in the accompanying statements of activities. During 2005, the Loan Fund also made various transfers, totaling $26,328 affiliates for other programmatic activities as reported on the statement of activities.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Temporarily restricted net assets are unexpended 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, 2006 and 2005:

	2006	**2005**
Purpose restricted:		
Permanent loan capital	$ 874,226	$873,276
Special Program Collaborative	132,500	-
Total temporarily restricted	$1,006,726	$873,276

Permanent loan capital is the term the Loan Fund 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 Loan Fund has three categories of permanent loan capital: net assets temporarily restricted by donors, net assets designated by the Board of Directors, and subordinated loans payable (see Note 7).

No outside donor has imposed an obligation on the Loan Fund 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 statements of financial position. The Loan Fund's Board of Directors designated $1,000,000, the proceeds of two unrestricted grant awards from the Treasury (see Note 1), as permanent loan capital in unrestricted net assets.

During 2006, the Holding Company transferred $132,500 of donor-restricted funds for a Special Program Collaborative for use in qualifying activities in the Loan Fund. The Holding Company is a member of a collaborative with other agencies to promote ecologically efficient designs and technical assistance to community development corporations.

Revenue Recognition

Revenues from interest on loans and investments, loan fees, and other sources are recognized as unrestricted revenue as earned on an accrual basis. Interest on loans is presented net of interest expense of $1,398,418 and $915,446 paid to loan participants (see Notes 4 and 6) in 2006 and 2005, respectively. The Loan Fund amortizes loan fees over the terms of the loans. Unamortized loan fees are included as an adjustment of the carrying value of loans receivable in the accompanying statements of financial position (see Note 4).

Grants and contributions with no restrictions or conditions are recognized as unrestricted revenue when received or unconditionally pledged to the Loan Fund. 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 unrestricted net assets.

(2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The four affiliated nonprofits (see Note 1) share various common expenses, including management salaries, benefits, and facility expenses. The accompanying financial statements include the share of these expenses allocable to the Loan Fund.

(3) INVESTMENTS

Fair market values including unrealized depreciation of investments at December 31, 2006 and 2005, are summarized as follows:

2006	Cost	Fair Market Value	Unrealized Depreciation
U.S. Government securities	$ 2,114,858	$ 2,103,154	$ (11,704)
Certificates of deposit	1,680,056	1,680,056	-
Corporate debt securities	1,142,094	1,027,322	(114,772)
Total investments held by the Holding Company	4,937,008	4,810,532	(126,476)
Less - amounts held allocated to the other affiliates (see Note 2)	(3,236,800)	(3,231,638)	(5,162)
Total investments of the Loan Fund	$ 1,700,208	$ 1,578,894	$(121,314)

2005	Cost	Fair Market Value	Unrealized Depreciation
U.S. Government securities	$2,588,171	$2,564,454	$ (23,717)
Certificates of deposit	103,391	103,391	-
Corporate debt securities	1,964,389	1,867,552	(96,837)
Total investments	$4,655,951	$4,535,397	$(120,554)

Net realized and unrealized gains (loss) of the Loan Fund were as follows:

	2006	2005
Unrealized losses	$ (760)	$(75,857)
Realized gains (losses)	(960)	72,113
Loan fund	$(1,720)	$ (3,744)

The Loan Fund generally holds these securities from the purchase date until maturity. Realized gains (losses) on investments are due to the purchase of U.S. Government and corporate debt securities at a premium or discount and their sale at face value upon maturity.

(4) LOANS RECEIVABLE

Loans receivable of the Loan Fund consist of approximately 115 and 100 individual loans and are presented net of third party loan participations of $31,536,411 and $19,364,001 as of December 31, 2006 and 2005, respectively. All loan participations are accounted for in accordance with Financial Accounting Standards Board Statement No. 140, *Accounting for Transfers of Financial Assets and Extinguishments of Liabilities.* All borrowers are nonprofit community organizations, and businesses which benefit low-income individuals and communities.

Loans receivable bear interest at rates ranging from one to ten percent (1% - 10%) and mature at various dates through 2042. Loans receivable are generally made in connection with affordable housing and community development projects and most are collateralized by first or second mortgages on property of the borrower. The Loan Fund's five largest outstanding loans receivable were approximately 33% and 41% of the portfolio as of December 31, 2006 and 2005, respectively.

Scheduled repayments of principal of loans receivable for the years ending after December 31, 2006, are as follows:

Year	
2007	$11,950,168
2008	5,532,618
2009	1,507,444
2010	1,989,325
2011	555,150
Thereafter	24,649,680
	46,184,385
Adjustment for deferred loan fees (see Note 2)	(186,482)
Less - allowance for loan losses (see Note 5)	(317,572)
	$45,680,331

The Loan Fund had committed approximately $10,000,000 and $4,000,000 of current assets (cash, cash equivalents, and short-term investments) for future disbursements on existing loan commitments and lines of credit through the Loan Fund as of December 31, 2006 and 2005, respectively. The Loan Fund has in place 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 6), as well as the potential to initiate loan sales and loan participation agreements with lending partners. As of December 31, 2006, the Loan Fund had forecasted net cash outflows of approximately $6,400,000 during the first quarter of 2007.

(5) ALLOWANCE FOR LOAN LOSSES AND LOAN LOSS RESERVES

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 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, 2006 and 2005:

	2006	2005
Board designated net assets for loan loss reserves (see Note 1)	$1,991,647	$1,773,092
Allowance for loan losses	317,572	384,847
	$2,309,219	$2,157,939

An allowance for loan losses is an estimate of expected loan losses. The loan loss allowance is based on expected losses as determined under the Loan Fund's risk rating system. 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 financial statements, consists of the following:

	2006	2005
Balance, beginning of year	$384,847	$365,588
Change in allowance	(67,275)	19,259
Balance, end of year	$317,572	$384,847

(6) LOANS PAYABLE

Loans payable of the Loan Fund represent loans by approximately 300 lenders ("investors") in principal amounts ranging from $500 to $4,000,000. Loans payable bear interest at rates ranging from 0% to 5.25%, payable at varying initial maturities of one to ten years through 2014. In the ordinary course of operations, the Loan Fund negotiates extensions of maturity with many investors.

Some of these loans contain specific operating covenants, all of which the Loan Fund was in compliance with as of December 31, 2006 and 2005. Loans payable of the Loan Fund are unsecured with recourse to the general assets of the Loan Fund.

(6) LOANS PAYABLE (Continued)

The Loan Fund also has available two lines of credit with financial institutions. In January, 2004, the Loan Fund and the other nonprofit affiliates jointly entered into an unsecured revolving line of credit agreement with a financial institution in the principal amount of $7,000,000. During 2005, available credit on this line was increased to $12,000,000. With the December, 2005 amendment, the interest rate was changed to 30-day LIBOR plus 2% (7.07% and 6.4% at December 31, 2006 and 2005, respectively). As of December 31, 2005, $5,500,000 was outstanding under this agreement as borrowed by the Loan Fund. There were no amounts outstanding as of December 31, 2006. The line of credit is payable one year after demand is made by the financial institution.

In January, 2006, the related affiliates received from this financial institution proposed terms of a $50 million syndicated line of credit, of which the financial institution would participate at $12 million. Management continues to negotiate this proposal as of the date of this report.

The Loan Fund has a $4,000,000 revolving line of credit with Fannie Mae which expires in December, 2009. Outstanding advances under this line of credit bear interest at Fannie Mae's five-year cost of funds, plus 25 basis points (4.38% at December 31, 2006 and 2005). As of December 31, 2006 and 2005, $4,000,000 was outstanding under this agreement.

The above loans payable and lines of credit require the Loan Fund to maintain certain financial ratios as specified in the agreements. As of December 31, 2006 and 2005, the Loan Fund was in compliance with these covenants. The balance of loans payable of the Loan Fund were as follows as of December 31:

	2006	2005
Lines of credit	$ 4,000,000	$ 9,500,000
Other loans payable	23,588,625	23,124,440
	$27,588,625	$32,624,440

Maturities of all loans payable as of December 31, 2006, are as follows:

Year	
2007	$ 4,086,082
2008	2,038,750
2009	7,480,171
2010	3,017,268
2011	5,535,469
Thereafter	5,430,885
Total loans	$27,588,625

The current maturities as of December 31, 2006 and 2005, include $208,446 and $585,000, respectively, of loan principal which has matured, but not been paid or formally extended. Management is negotiating extensions of these amounts.

(7) PERMANENT LOAN CAPITAL - SUBORDINATED LOANS PAYABLE

Permanent loan capital – subordinated loans payable consist of long-term subordinated loans payable of the Loan Fund (37 and 36 individual loans as of December 31, 2006 and 2005, 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 loans' term and agreement of the Loan Fund and the lenders.

Earliest maturity dates of principal as of December 31, 2006, are as follows:

2010	$ 650,000
2016	$12,300,000
2021	$ 500,000

As of December 31, 2006 and 2005, $2,300,000 of the proceeds of these loans were loaned to the Venture Fund to finance a portion of certain investments of the Venture Fund. These loans bear interest at three percent payable quarterly and are unsecured. These are reflected as affiliate loans receivable in the accompanying statements of financial position. The remaining proceeds of $11,150,000 and $10,150,000 as of December 31, 2006 and 2005, respectively, have been held as permanent loan capital of the Loan Fund.