A BILLION FOR A MILLION
By 2014, the Low Income Investment Fund (LIIF) will have made a positive impact on the lives of a million people by investing $1 billion in low income communities. Achieving this milestone will be based upon LIIF’s strategic combination of assets.

PROGRAMS + TOOLS + COMMUNITIES + PARTNERSHIPS
CREATE STREAMS OF COMMUNITY IMPACT

LIIF’S MISSION

LIIF is a steward for capital invested in housing, child care, education and other community-building initiatives. LIIF provides a bridge between private capital markets and low income neighborhoods.
DEAR FRIENDS:

Over the past 22 years, the Low Income Investment Fund (LIIF) has pursued an ambitious goal — to alleviate poverty and help create opportunities for low income families to achieve economic self-sufficiency. More recently, LIIF adopted another ambitious goal — A Billion for A Million. This goal challenges LIIF to serve a million people by raising a billion dollars of high impact capital investments by 2014.

How will we achieve these goals? How will we marshal the resources of knowledge, funding, time and expertise necessary to make a meaningful impact and improve the lives of one million people?

In this year’s annual report, we aim to answer these questions. As you read the following pages you will learn how LIIF uses its principal tools of capital and technical assistance to create lasting impact in the key program areas of child care, education and housing. We know it’s vital to remain responsive to the needs of the communities in which we work; and we firmly believe that it takes very little to unlock the potential of our constituents. This report will help you understand why we continue to collaborate with our many partners to access and provide capital, expertise, and innovative community strategies to reach our impact goals and to further our mission. As we move forward, we will continually evaluate our progress by the effect we have on these communities.

As always, we are indebted to the many individuals and organizations that fuel our work. This group—which includes international financial institutions, individual family child care providers, multi-million-dollar foundations and local social service organizations—is broad and diverse. We value the diversity of knowledge, skill and experience that each one of you contributes to LIIF’s work. With your support, LIIF is lifting families out of poverty and into safe, affordable communities.

Sincerely,

Andrew Ditton
Chairman of the Board

Nancy O. Andrews
President and CEO

JOINT LETTER FROM THE CHAIRMAN AND PRESIDENT
LEVERAGING THE IMPACT OF SUCCESS

OVER LIIF’S 22-YEAR HISTORY, IT HAS PROVIDED $650 MILLION IN FINANCING AND TECHNICAL ASSISTANCE FOR PROJECTS BENEFITING LOW INCOME COMMUNITIES IN 26 STATES, LEVERAGING ADDITIONAL PRIVATE, PUBLIC AND PHILANTHROPIC INVESTMENTS IN EXCESS OF $4.6 BILLION.

52,000 UNITS OF AFFORDABLE HOUSING

34,000 QUALITY CHILD CARE SPACES
WHO WE ARE: LIIF is a nonprofit community development financial institution (CDFI) dedicated to serving low income people and communities. At the core of LIIF’s work is a commitment to alleviating poverty and helping families attain economic self-sufficiency.

WHERE WE CREATE IMPACT: LIIF operates in three core markets: Northern California, Southern California and the New York Metropolitan Area. These three markets account for 20 percent of the nation’s total poverty population, and also have some of the country’s highest housing costs. Consequently, they are geographic areas where the need for LIIF’s programs is among the greatest in the nation.

HOW WE CREATE IMPACT: LIIF uses the tools of capital and technical assistance to create opportunities for low income families in its three program areas: child care, education and housing. LIIF cultivates sound partnerships, spearheads innovative programs and responds to the needs of its borrowers and grantees to have the maximum positive impact on the communities it serves.

WHO + WHERE + HOW = IMPACT AT ITS BEST. By leveraging key strategies and relationships — programs + tools + community + partnerships — LIIF develops sustainable solutions for poverty alleviation. Through this comprehensive approach, LIIF has a measurable impact upon the families and communities it serves.

38,000 CLASSROOM DESKS IN SCHOOLS

2.5 MILLION SQUARE FEET OF FACILITY SPACE

375,000 LOW INCOME INDIVIDUALS AND FAMILIES SERVED
IMPACTS OF INNOVATIVE PROGRAMS

PROGRAMS + TOOLS + COMMUNITIES + PARTNERSHIPS
CHILD CARE
A FIRST STEP TOWARD OPPORTUNITY

LIIF’s child care programs increase low income children's access to quality child care and early education opportunities. Participation in well-run child care programs increases children’s social and educational outcomes and decreases their dependency on social services later in life. Stable, quality child care also supports low income families’ education and workforce participation.

LIIF offers three child care programs in California and New York.

The Affordable Buildings for Children’s Development (ABCD) Initiative supports the child care sector through four strategies: capital delivery, technical assistance for facilities development, capacity building, and public policy and advocacy.

The Child Care Facilities Fund (CCFF) is an award-winning public/private collaboration that uses flexible capital and technical assistance to expand and improve child care facilities in Northern California’s San Francisco and Alameda counties.

The New York Child Care Seed Fund supports child care facilities development in New York City through capital, technical assistance, training and policy work on child care and early education system-building.

LIIF’S HISTORICAL IMPACT
$37.3 million in capital and technical assistance; 34,000 child care spaces.
EDUCATION
AN INVESTMENT IN DEVELOPING MINDS

LIIF’s innovative education program improves educational outcomes for low income youth by supporting the creation of quality school facilities in underserved communities.

Access to a quality education is one of the most effective ways for individuals to lift themselves out of poverty. LIIF increases educational choices for low income and underserved communities by supporting the creation and expansion of charter schools serving these populations. Charter schools are public schools, but, unlike traditional public schools, charter schools do not have access to the typical resources used to finance and build school facilities. Thus, charter schools can benefit from LIIF’s technical assistance and expertise in real estate financing.

By providing capital, technical assistance and support for systems change in education, LIIF works with its partners to create stable, sustainable learning environments for low income youth. LIIF also creates educational opportunities by helping schools access private-sector capital and by paving the way for private-sector involvement in charter school financing.
HOUSING
A CRITICAL PLATFORM FOR FAMILY STABILITY

For 22 years, LIIF has provided capital for homeownership, rental and supportive housing for low income neighborhoods in California and New York. LIIF has provided 145,700 very low and low income people with affordable, safe and secure housing alternatives.

The lack of affordable, high-quality housing is a powerful contributor to families’ and communities’ inability to achieve economic security. Access to affordable housing alternatives for low income families and special-needs populations increases the opportunities for these groups to make additional social investments, covering expenses beyond the basic necessity of shelter, such as food, medical care, quality education and child care, and transportation.

Characterized as having a high degree of flexibility and responsiveness to the needs of its borrowers, LIIF offers a variety of loan products and services to affordable housing developers serving low income communities, including populations such as the homeless, those with HIV/AIDS and people with disabilities.

“LIIF continues to be the most ... mission-driven ... knowledgeable and responsive predevelopment/acquisition lender in Southern California,” observed Barry Getzel, Senior Project Manager, Wakeland Housing and Development Corporation.
Through its Revolving Loan Fund (RLF) and Affordable Buildings for Children’s Development (ABCD) Fund, LIIF lends capital directly to organizations supporting low income communities. In addition, LIIF packages capital for its financing partners through program-specific funds as well as individualized transactions. These packaged and participation loans complement LIIF’s direct lending and often enable LIIF to respond more effectively to its borrowers’ needs. Historically, LIIF has provided $588 million in loans through the RLF and the ABCD Fund, and participation and packaged lending.

LIIF provided New York Congregational Center for Community Life with a $1.5 million loan to rehabilitate its multi-service community center, which has been in operation since 1911. “LIIF staff [demonstrates] outstanding service and professional expertise,” said Celia Zuckerman, President and Chief Executive Officer, New York Congregational Center for Community Life. “LIIF supports our mission to provide low income housing [and understands] nonprofit organizations.”

Once fully renovated, the community center will house several local nonprofits offering services to predominantly low income residents. The Center, a local landmark located in Brooklyn’s East Flatbush neighborhood, will also house a full-day child care center and provide after-school programs for at-risk youth. “Our aim is to raise the expectations of what children in the surrounding community should feel is the standard from both programs and especially the environment,” stated Maureen Creegan Messa, Vice President, New York Congregational Center for Community Life.

LIIF’s Historical Impact:

- $420 million for housing
- $100 million for education
- $42 million for other projects
- $26 million for child care
LIIF provides grants to child care providers to develop, expand and improve child care facilities serving low income communities across California and New York. Child care providers often operate on tight budgets and are unable to take on loan capital from LIIF or other conventional lenders. “[LIIF’s] grant was of great value toward the successful completion of our new child care facility,” said one grantee. As grant dollars are a vital first step in facilities development, LIIF sees the importance of having provided $12 million in grants through three initiatives:

- **Affordable Buildings for Children’s Development (ABCD) Fund**: $1.2 million
- **Child Care Facilities Fund (CCFF)**: $10.2 million
- **New York Child Care Seed Fund**: $325,000

Through CCFF, LIIF provided a $50,000 facility grant to Child, Family and Community Services (CFCS) and another to Even Start Family Literacy Program in Alameda County to support the development of two preschool classrooms on a new adult school campus in San Leandro. “[LIIF’s] funds have made it possible to expand preschool services to children and families living [in] a lower income community,” said Noreen L. Magaloni, Even Start Program Manager.

These grants not only helped preserve 110 affordable child care spaces by relocating them to a new quality facility, but also enabled the program to access loan funding, leverage grant capital and share resources with other community programs.

**LIIF’S HISTORICAL IMPACT**

- CCFF supported **20,000** spaces; ABCD supported **7,000** spaces; New York Seed Fund supported **3,000** spaces.
TECHNICAL ASSISTANCE

LIIF offers one-on-one technical assistance, group trainings and workshops to its borrowers, grantees and other community development organizations. These services help expand the knowledge and capacity of individuals and organizations working in LIIF’s core areas. In return, more families, organizations and individuals have better services and greater options for affordable housing, child care and educational opportunities.

LIIF’s ABCD Constructing Connections child care initiative is a technical assistance program that supports and streamlines the process of financing, constructing and managing child care and preschool facilities for 10 selected high-need counties in California. “[Constructing Connections is] a very well thought-out project. It’s a model that can be duplicated for streamlining other systems,” said one grantee.

Through the work of one of ABCD Constructing Connection’s sites, 315 preschoolers now attend the Murrieta’s Promise Christian Preschool, a brand-new child care facility in Riverside, California. LIIF provided its technical assistance and expertise in collaboration with First 5 Riverside, bringing together key participants to help Murrieta’s Promise Christian Preschool build its new facility. “The support of the ABCD Constructing Connections program is critical,” stated Harry Freedman, Executive Director of First 5 Riverside. “The [Constructing Connections’] Special Projects Coordinator was able to [provide] the help needed just in time for the grand opening on September 9, 2006—the beginning of the new school year.”
LASTING COMMUNITY IMPACT
FOSTERING HEALTHY COMMUNITIES

POINT REYES FAMILY HOMES

EAH Housing, a 38-year-old nonprofit housing development and management organization, completed the development of a 27-unit, low-density apartment complex to provide low and very low income families with affordable, high-quality housing. An affiliate of EAH, Point Reyes Development Company LLC, developed seven single-family homes in conjunction with the apartment complex.

LIIF provided a $1.2 million loan to EAH Housing for the acquisition of the 18-acre parcel in Point Reyes, a rural community in Northern California’s Marin County, where the housing was developed. With the support of LIIF’s loan, the Martinez family—a low income family of seven—now has an affordable, single-family home in the heart of one of California’s most beautiful coastal communities. “LIIF has made housing affordable. We used to live in a two-bedroom trailer, not enough room for a family of seven. Now we have the space, and live in a beautiful community,” said 18-year old Jorge Martinez. And, the housing is conveniently located close to the local school. “[Our new home] has made it easy for the children to go to school. Before, the children had to wait in the car [for over an hour] after school for their father to take them home,” stated Martinez.

LIIF’S HISTORICAL IMPACT

LIIF has served low income communities in 26 states.
LIIF has provided over 1,000 grants and 700 loans to community organizations.

VIEW PARK PREPARATORY ACCELERATED CHARTER SCHOOL

LIIF provided a $7 million loan to the Pacific Charter School Development Corporation to support the expansion of View Park Preparatory Accelerated Charter School into a comprehensive two-campus complex serving 800 students in the Crenshaw District of South Central Los Angeles. “I like that [in] the school LIIF helped us build, we are able to operate like a family. I like that my parents are able to be involved in my high school experience,” said Vincent Bacon, 12th-grade student at View Park Prep. The school’s high-quality public college preparatory education and its dynamic academic and enrichment programs have played a critical role in reaching its success. As Mike Piscal, President and CEO, Inner City Education Foundation, observed, “View Park Preparatory Accelerated Charter Middle School and High School has had a positive impact on the community because it gives families a powerful choice within public education.”

WOMEN’S TRANSITIONAL HOUSING PROGRAM

LIIF’s $500,000 construction loan provided Housing Works, Inc. with the opportunity to rehabilitate a four-story property in Brooklyn, New York, and turn it into a residential home for formerly incarcerated women diagnosed with HIV/AIDS. Once released from prison, many women have no money, food or health care benefits, and face a complex array of problems that cannot be easily or successfully dealt with by most existing homeless shelters. “LIIF [has] enabled us to provide housing to the most vulnerable New Yorkers, [specifically] single women released from prison and living with HIV/AIDS,” said Kenneth Robinson, Vice President, Transitional Housing. “There is an opportunity for these housing services to completely change their lives and to supply them with the supportive structure [they need] to address their issues and to stabilize their health.” Housing Works’ new facility provides 20 safe and stable studio efficiency apartments with a range of supportive services to assist these low income women in their transition to permanent, independent housing.
JUDITH BAKER CHILD DEVELOPMENT CENTER

In 2006, the Judith Baker Child Development Center opened its renovated facility in San Francisco. The Center now has space to support 48 low-income preschoolers, providing families with the assurance of a safe, secure and affordable child care facility. “Our center [meets] the need for quality child care in the South of Market area of San Francisco,” said Terry Fontanello, Teacher, Judith Baker Child Development Center. “It gives parents the opportunity to attend school and/or work while their child [is cared for at] the center.” LIIF provided South of Market Child Care Inc. (SOMCC), a leading provider of early childhood services in San Francisco, with a $720,000 loan to improve the quality of the Judith Baker Center. “My experience with LIIF has been very wonderful, and if I plan to build another child development facility, LIIF will be my only choice,” stated Noushin Mofakham, Executive Director, SOMCC.

WATTS LEARNING CENTER

The Watts Learning Center is a successful, nine-year-old charter school located in Southern California. The Center serves 400 low-income children in grades K-through-8 and is making a positive impact on the community by providing it with a well-developed educational program. LIIF’s $1.7 million loan to the Watts Learning Center allowed the school to purchase a safe building in South Central, Los Angeles. “LIIF has enabled the Watts Learning Center to secure a permanent home,” noted Eugene Fisher, President, Watts Learning Center. “With [LIIF’s] loan, we can now be assured that we can provide a quality education without the uncertainty of rent raises and termination of lease agreements.” Before LIIF’s loan, the Learning Center had changed its location three times since 1997 due to neighborhood gang activity, drive-by shootings and other crime-related activities.
IMPACT THROUGH PARTNERSHIPS
BORROWERS
15 Fort Washington Avenue Housing Development Fund Corporation
455 West 33rd Street Housing Development Fund Corporation
Affordable Housing Associates
Alliance for College Ready Public Schools
Alouette, Inc.
Asian Pacific Islander Legal Outreach ASIAN, Inc.
Atlantic Terrace 12, LLC
Avondale Apartments Housing Development Fund Corporation
Beyond Shelter Housing Development Corporation
Bowery Residents’ Committee, Inc.
Bridge Housing Corporation
Care for the Homeless Housing Development Fund Corporation
Child Start, Inc.
Citizens Housing Corporation
Civic Builders, Inc.
Community HousingWorks
Community League of the Heights
Culture & Language Academy of Success
E Center

COMMUNITIES RECEIVING LIIF’S SUPPORT
EAH Housing
Ezequiel Tafoya Alvarado Academy
Fifth Avenue Committee, Inc.
Local Development Corporation
Friendship House Association of American Indians, Inc.
Housing Works, Inc.
Keshet Learning Center
Meta Housing Corporation
National Farm Workers Service Center, Inc.
New Jersey ACORN Housing Corporation, Inc.
Pathways Los Angeles
Pratt Area Community Council
Pueblo Nuevo Development
River Bank Development
San Francisco Community Land Trust
San Jose Day Nursery
Savo Island Cooperative Homes, Inc.
Shield of Faith Economic Development
South of Market Child Care, Inc.
Tenants & Owners Development Corporation (TODCO)
Townspeople
Wakeland Housing & Development Corporation
Watts Learning Center
West Angeles Community Development Corporation
Westhab, Inc.
Women’s Housing & Economic Development Corporation, Inc.
GRANTEES

1st Place 2 Start
24 Hour Oakland Parent Teacher Child Care
4Cs of Alameda County
A Joyful Noise
Abea Family Child Care
Akamere Family Child Care
Albany Unified School District
Alexander Family Child Care
Aranivar Family Child Care
Archila Family Child Care
Benitez Family Child Care
Big City Montessori
Bowler Family Child Care
Bright Start Child Development Center
Building Loving Hands, Inc.
C5 Children's School
Caspar Children's Garden
Casteel Family Child Care
Castro Family Child Care
Center for the Education of the Infant Deaf
Chan Family Child Care
Chen Family Care Center
Cheng Family Child Care
Child Action, Inc. (Sacramento)
Child Development Consortium of Los Angeles
Child Development Resources of Ventura County, Inc.
Child, Family & Community Services, Inc.
Children & Families Commission of Santa Barbara
Children & Families Commission, First 5 Riverside
Children's Day School
Children's Network of Solano County
Children's Village CDC of Catholic Charities CYO
Chinatown Community Children's Center
Chow Family Child Care
Christian Life Church
Christian World Church & Child Care Center
Community Enhancement Corporation
Compass Community Services
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Davis Family Child Care
Diaz Family Child Care
Dixon & Williams Family Child Care
EBALDC: Lion Creek Crossings
Easter Seals Bay Area 8
Economic Opportunity Council
Edmonson Educational Group
Color Me Children
El Proyecto Child Development Center
Estrada Family Child Care
Eyes on You Daycare
Falcon Family Child Care
Family Service Agency of San Francisco
Fang Family Child Care
Fernandez Family Child Care
First Presbyterian Church of Livermore
Foraci Family Child Care
Ford Family Child Care
Forde Family Child Care
Frandelja Enrichment Center
Friends of Potrero Hill Nursery School
Friends of St. Francis Day Care
Garity Center for Children & Families
Glenridge Coop Nursery School
Glide Foundation
Goltsner Family Child Care
Gomez Family Child Care
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Halog Family Child Care
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HeartShare Human Services of New York
Huang Family Child Care
Human Resources Council, Inc. (Amador/Calaveras)
Ibarra Family Child Care
Jackson Family Child Care
Japanese Community Youth Council – Chibi Chan
Kern County Superintendent of Schools
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Mission Child Care Consortium, Inc.
Mission YMCA
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Murdock Elementary Campus
My Space to Grow
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SFCCD Child Development & Family Studies
SFUSD Head Start & Early Head Start
SFUSD-ASI Early Childhood Education Center
SFUSD Child Development Program
Sheehan Family Child Care
Sims Family Child Care
Smith Family Child Care
Sonshine Enrichment Center Preschool
St. John's Childcare Center
St. Vincent's Day Home, Inc.
Stribling Family Child Care
Tan Family Child Care
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Townsend Family Child Care
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Leslie Swift Bernal, Program Associate, CCFF
Jay Wang, Program Manager, CCFF
Candace Wong, Director, CCFF
Marie Young, Managing Director, National Child Development & Education Programs

New York Office
Kristin Gilliss, Program Intern, New York Seed Fund
Karen Faup, Loan Associate
Cassandra Kauwling, Loan Officer
Judi Kende, Director, New York Lending
Marcus Randolph, Loan Officer
Claudia Siegman, Program Manager, New York Seed Fund
Valerie Williams, Loan Associate

Los Angeles Office
Donna Boswell, Loan Assistant
Maricela Carlos, Program Manager, ABCD Initiative
Amber Carter, Director, Southern California Lending
Ellen Decker, Program Officer, ABCD Initiative
Jon Dempsey, Senior Program Officer, ABCD Initiative
Manuel Fierro, Senior Program Officer, ABCD Initiative
Claudia Lima, Loan Officer
Tyler Marcus, Loan Associate
Jennifer Workman, Loan Associate
### Statement of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$128,640,419</td>
<td>$10,918,621</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>$9,382,333</td>
<td>$8,364,961</td>
</tr>
<tr>
<td>Investments</td>
<td>$15,923,014</td>
<td>$33,349,658</td>
</tr>
<tr>
<td>Accounts receivable – net</td>
<td>$2,196,808</td>
<td>$3,920,398</td>
</tr>
<tr>
<td>Current portion of contributions receivable</td>
<td>$663,500</td>
<td>$1,432,000</td>
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<tr>
<td>Accrued interest receivable</td>
<td>$48,251</td>
<td>$67,936</td>
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<tr>
<td>Prepaid expenses and deposits</td>
<td>$284,431</td>
<td>$366,787</td>
</tr>
<tr>
<td>Notes receivable –held for sale</td>
<td>$5,967,465</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, less current portion</td>
<td>$15,897,273</td>
<td>$16,411,763</td>
</tr>
<tr>
<td>Property and equipment–net</td>
<td>$549,317</td>
<td>$492,172</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$200,238,923</td>
<td>$200,028,381</td>
</tr>
<tr>
<td>Notes receivable, less current portion</td>
<td>$31,897,273</td>
<td>$35,333,473</td>
</tr>
<tr>
<td>Subordinate notes repayable</td>
<td>$69,822,430</td>
<td>$64,194,983</td>
</tr>
<tr>
<td>Total assets</td>
<td>$122,685,513</td>
<td>$126,454,026</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,067,446</td>
<td>$686,925</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>$226,875</td>
<td>$231,078</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>$4,800,175</td>
<td>$6,751,467</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$10,416,672</td>
<td>$12,362,319</td>
</tr>
<tr>
<td>Notes receivable, less current portion</td>
<td>$31,897,273</td>
<td>$35,333,473</td>
</tr>
<tr>
<td>Subordinate notes repayable</td>
<td>$69,822,430</td>
<td>$64,194,983</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$121,685,513</td>
<td>$125,858,346</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$122,685,513</td>
<td>$126,454,026</td>
</tr>
</tbody>
</table>

### Statement of Activities

<table>
<thead>
<tr>
<th>Unrestricted Operations</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan origination</td>
<td>$835,559</td>
<td>$162,800</td>
</tr>
<tr>
<td>Loan packaging and servicing</td>
<td>$593,645</td>
<td>$38,971</td>
</tr>
<tr>
<td>Technical assistance and consulting</td>
<td>$2,697,125</td>
<td>$2,029,894</td>
</tr>
<tr>
<td>Contributions</td>
<td>$156,518</td>
<td>$196,750</td>
</tr>
<tr>
<td>Interest and investment income–net</td>
<td>$6,189,284</td>
<td>$5,270,734</td>
</tr>
<tr>
<td>Contributed services</td>
<td>$167,500</td>
<td>$42,280</td>
</tr>
<tr>
<td>Other</td>
<td>$7,776</td>
<td>$7,473</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>$15,477,360</td>
<td>$12,665,620</td>
</tr>
<tr>
<td>Net unrealized gains/(losses) on investments</td>
<td>$(304,333)</td>
<td>$296,074</td>
</tr>
<tr>
<td>Net realized gains/(losses) on investments</td>
<td>$(397,501)</td>
<td>$(12,694)</td>
</tr>
<tr>
<td>Total support, revenue and gains on investments</td>
<td>$14,675,526</td>
<td>$12,349,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct lending</td>
<td>$4,364,420</td>
<td>$4,368,895</td>
</tr>
<tr>
<td>Loan packaging and servicing</td>
<td>$443,045</td>
<td>$522,337</td>
</tr>
<tr>
<td>National Program – Child Care</td>
<td>$5,051,662</td>
<td>$2,979,999</td>
</tr>
<tr>
<td>National Program and capitalization – other</td>
<td>$23,565</td>
<td>$115,855</td>
</tr>
<tr>
<td>Total program services</td>
<td>$10,992,690</td>
<td>$7,986,866</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>$3,176,825</td>
<td>$2,659,321</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$453,667</td>
<td>$462,933</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>$3,630,492</td>
<td>$3,122,254</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$15,223,182</td>
<td>$11,108,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non Guth</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets released from restrictions</td>
<td>$(3,303,559)</td>
<td>$(2,666,624)</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets–operations</td>
<td>$(11,428,640)</td>
<td>$11,555,088</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Temporary Restricted</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>RLF capital</td>
<td>Contributions</td>
<td>$1,874,869</td>
</tr>
<tr>
<td>Interest income</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets – RLF capital</td>
<td>$(11,428,640)</td>
<td>$11,555,088</td>
</tr>
<tr>
<td>CCFF capital</td>
<td>Contributions</td>
<td>$1,874,869</td>
</tr>
<tr>
<td>Interest income</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>$(11,428,640)</td>
<td>$11,555,088</td>
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<thead>
<tr>
<th>Education</th>
<th>2006</th>
<th>2005</th>
</tr>
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<tbody>
<tr>
<td>Contributions</td>
<td>$1,874,869</td>
<td>$3,521,712</td>
</tr>
<tr>
<td>Interest income</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets – Education</td>
<td>$(11,428,640)</td>
<td>$11,555,088</td>
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</tbody>
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### Statement of Activities (Temporarily Restricted)

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<tr>
<th>Unrestricted Operations</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and revenue</td>
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<tr>
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<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in temporarily restricted net assets–CCFF capital</td>
<td>$(289,328)</td>
<td>$(180,296)</td>
</tr>
<tr>
<td>Education</td>
<td>Contributions</td>
<td>$1,459,089</td>
</tr>
<tr>
<td>Interest income</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets – Education</td>
<td>$(289,328)</td>
<td>$(180,296)</td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th>Net assets (unrestricted and temporarily restricted operations)</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net assets</td>
<td>$122,685,513</td>
<td>$126,454,026</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
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<td>$126,454,026</td>
</tr>
</tbody>
</table>