

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**COMBINED FINANCIAL STATEMENTS**  
For the years ended December 31, 2013 and 2012  
with  
Independent Auditors' Report

**Novogradac & Company LLP**  
**Certified Public Accountants**



### Independent Auditors' Report

To the Members of Clearinghouse CRA Investment Funds:

#### *Report on Combined Financial Statements*

We have audited the accompanying combined financial statements of Clearinghouse CRA Investment Funds, which comprise the combined balance sheets as of December 31, 2013 and 2012, and the related combined statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the combined financial statements.

#### *Management's Responsibility for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Clearinghouse CRA Investment Funds as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Novogradac & Company, PC*

Long Beach, California

March 31, 2014

**CLEARINGHOUSE CRA INVESTMENT FUNDS**

**COMBINED BALANCE SHEETS**

December 31, 2013 and 2012

ASSETS	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 836,121	\$ 7,303,178
Restricted cash	272,008	226,947
Loans receivable, net	32,793,072	28,068,495
Accrued interest receivable	137,443	109,052
Due from CDFI	<u>2,487</u>	<u>33,590</u>
Total assets	<u>\$ 34,041,131</u>	<u>\$ 35,741,262</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Due to CDFI		
Management fee payable	\$ 212,263	\$ 208,832
Other payables	<u>41,507</u>	<u>34,750</u>
Total liabilities	253,770	243,582
Members' equity	<u>33,787,361</u>	<u>35,497,680</u>
Total liabilities and members' equity	<u>\$ 34,041,131</u>	<u>\$ 35,741,262</u>

see accompanying notes

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**COMBINED STATEMENTS OF OPERATIONS**  
For the years ended December 31, 2013 and 2012

	2013	2012
<b>INTEREST INCOME</b>		
Interest income - loans receivable	\$ 2,150,075	\$ 2,658,611
<b>NON-INTEREST INCOME</b>		
Loan processing income	24,952	40,556
Investment capital income	158,544	31,103
Total non-interest income	183,496	71,659
<b>EXPENSES</b>		
Management fees	396,848	491,954
State franchise tax	11,000	6,800
Professional fees	1,120	6,000
Total expenses	408,968	504,754
 Net income	 \$ 1,924,603	 \$ 2,225,516

see accompanying notes

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
For the years ended December 31, 2013 and 2012

	Managing Member	Investor Members	Total Members' Equity
Balance, January 1, 2012	\$ -	\$ 35,044,587	\$ 35,044,587
Equity contributions	-	8,443,781	8,443,781
Net income	-	2,225,516	2,225,516
Priority interest distributions	-	(2,132,553)	(2,132,553)
Equity distributions	-	(8,083,651)	(8,083,651)
Balance, December 31, 2012	-	35,497,680	35,497,680
Equity contributions	-	1,644,460	1,644,460
Net income	-	1,924,603	1,924,603
Priority interest distributions	-	(2,000,771)	(2,000,771)
Equity distributions	-	(3,278,611)	(3,278,611)
Balance, December 31, 2013	\$ -	\$ 33,787,361	\$ 33,787,361

see accompanying notes

**CLEARINGHOUSE CRA INVESTMENT FUNDS**

**COMBINED STATEMENTS OF CASH FLOWS**

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Net income	\$ 1,924,603	\$ 2,225,516
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Increase in restricted cash	(45,061)	(29,130)
(Increase) decrease in accrued interest receivable	(28,391)	13,710
Decrease (increase) in due from CDFI	31,103	(31,103)
Increase in due to CDFI	10,188	93,420
Net cash provided by operating activities	<u>1,892,442</u>	<u>2,272,413</u>
Cash flows from investing activities:		
(Increase) decrease in loans receivable, net	<u>(4,724,577)</u>	<u>6,055,288</u>
Net cash (used in) provided by investing activities	(4,724,577)	6,055,288
Cash flows from financing activities:		
Equity contributions	1,644,460	8,443,781
Equity distributions	(3,278,611)	(8,083,651)
Priority interest distributions	<u>(2,000,771)</u>	<u>(2,132,553)</u>
Net cash used in financing activities	<u>(3,634,922)</u>	<u>(1,772,423)</u>
Net (decrease) increase in cash and cash equivalents	(6,467,057)	6,555,278
Cash and cash equivalents at beginning of year	<u>7,303,178</u>	<u>747,900</u>
Cash and cash equivalents at end of year	<u>\$ 836,121</u>	<u>\$ 7,303,178</u>

see accompanying notes



**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

1. Organization

The combined financial statements present the combined activities of Clearinghouse CRA Investment Fund, LLC (“CRA Fund”) and Clearinghouse CRA Investment Fund II, LLC (“CRA Fund II”) (collectively, the “CRA Investment Funds” and the “Companies”). The CRA Fund was formed to enable qualified investments to be used to finance community development projects throughout California. The CRA Fund II was expanded to include Nevada, as well as California.

CRA Fund

The CRA Fund was initially created in April 2008 and subsequently amended as investors were added. CRA Fund entered into an Amended and Restated Operating Agreement in November 2011. Pursuant to the Second Amended and Restated Operating Agreement of CRA Fund (the “CRA Operating Agreement”), the managing member of CRA Fund is Clearinghouse Community Development Financial Institution (“CDFI”) and the investor members are First Bank (“First Bank”), Wells Fargo Bank, N.A. (“Wells Fargo”), JP Morgan Chase & Co. (“Chase”), HSBC Bank USA (“HSBC”), and CapitalSource Bank USA (“CapitalSource”) (collectively, referred to as the “CRA Investor Members”).

CRA Fund II

Pursuant to the Amended and Restated Operating Agreement of CRA Fund II (the “CRA II Operating Agreement”), effective May 9, 2012 (CRA II Operating Agreement and CRA Operating Agreement are collectively referred to as the “Operating Agreements”), the managing member of CRA Fund II is CDFI and the investor members are CapitalSource, Opus Bank (“Opus Bank”) and California Republic Bank (“California Republic Bank”) (collectively, referred to as the “CRA II Investor Members”).

Cash distributions, capital transactions, profits and losses are generally allocated among the members in accordance with their ownership interests. Profit and loss of the Companies shall be allocated to and among the members’ capital accounts in a manner that as closely as possible gives economic effect to the distributions made, or deemed made. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of the fiscal year.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Companies prepare their combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

The combined financial statements of the Companies include CRA Fund and CRA Fund II. All intercompany transactions and balances have been eliminated in combination.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held for loan loss reserves.

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

2. Summary of significant accounting policies and nature of operations (continued)

Concentration of credit risk

The Companies maintain cash in bank deposit accounts that, at times, may exceed federally insured limits. The Companies have not experienced any losses in such accounts. The Companies believe they are not exposed to any significant credit risk on cash.

Economic and geographic concentrations

The Companies lend in the California market. Future operations could be affected by changes in economic or other conditions in the market.

Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates. A material estimate that is partially susceptible to significant change in the near term relates to the allowance for loan losses provision.

Income taxes

Income taxes on the Companies' income are levied on the members at the member level. Accordingly, all profits and losses of the Companies are recognized by each member in its respective tax return.

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires the Companies to report information regarding their exposure to various tax positions taken by the Companies. The Companies have determined whether any tax positions have met the recognition threshold and have measured the Companies' exposure to those tax positions. Management believes that the Companies have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Companies are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying combined financial statements.

Loans receivable and allowance for loan losses

Loans receivable are stated at the amount of unpaid principal, less loan loss reserves.

The Companies evaluate each loan individually for impairment. A loan is impaired when it is probable that the Companies will be unable to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The amount of impairment, if any, is included in the allowance for loan losses as specific reserves. When management determines an amount to be uncollectible, that amount is written off. As of December 31, 2013 and 2012, the Companies determined that there were no impaired loans. There were no delinquencies in either CRA Fund or CRA Fund II as of the years ended 2013 or 2012. Neither fund has experienced any write-offs since their inception.

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

2. Summary of significant accounting policies and nature of operations (continued)

Revenue recognition

The Companies recognize revenue from interest income on the loans receivable. Interest on the notes is based on the principal balance outstanding and is recognized when earned in accordance with the contractual terms of the loan agreements and promissory notes.

Interest on loans is calculated using the simple-interest method on principal amounts outstanding. The accrual of interest on impaired loans is discontinued when, in management's opinion, the borrower may be unable to make payments as they become due. When the accrual of interest is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received and the principal balance is believed to be collectible.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through March 31, 2014, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Restricted cash and loan loss reserves

Restricted cash includes a reserve account established by CDFI in accordance with the Operating Agreements. CDFI is required to deposit an amount equal to .05% of the approved unpaid principal balance purchased and is to permit distributions solely to replace amounts lost as a result of loan write-offs. All remaining cash in the loan loss reserve will be distributed to CDFI upon dissolution of the fund. As of December 31, 2013 and 2012, the reserve account balance was \$272,008 and \$226,947, respectively.

4. Loans receivable

The Companies' loan portfolio is composed of loans that are primarily secured by real estate and commercial properties. This collateral is concentrated primarily within Los Angeles and Orange Counties, but includes collateral located in various counties throughout California. As of December 31, 2013 and 2012, real estate-secured loans accounted for approximately 100% of total loans. Substantially all of these loans are secured by first trust deeds with an initial loan-to-value ratio of generally not greater than 80%.

The Companies evaluate each borrower's creditworthiness on a case-by-case basis. Collateral held generally consists of first-trust deeds on real estate and income-producing commercial properties.

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

4. Loans receivable (continued)

The Companies' loan portfolio consisted of the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Loans receivable	\$ 33,065,080	\$ 28,295,442
Less: loan loss reserve	<u>(272,008)</u>	<u>(226,947)</u>
Loans receivable, net	<u>\$ 32,793,072</u>	<u>\$ 28,068,495</u>

The approximate yield for 2013 to investors for the CRA Fund and CRA Fund II were 6.00% and 4.50%, respectively.

5. Transactions with related parties

Due from CDFI

There were certain member contributions received by the Companies that were not immediately invested into loan receivables. CDFI will fund priority return distributions associated with the uninvested contributions. As of December 31, 2013 and 2012, \$2,487 and \$33,590 remained due from CDFI, respectively.

Management fees

Pursuant to the Operating Agreements, the Companies are to pay an annual management fee to CDFI as the managing member (the "Management Fee"). The Management Fee consists of two separate components paid on a quarterly basis. The first component is a loan servicing fee, which accrues quarterly at a rate of .125% of the outstanding principal loan balances. The second component is a compliance fee, which accrues quarterly at a rate of .25% and .1875% of the outstanding principal loan balances for CRA Fund and CRA Fund II, respectively. For the years ended December 31, 2013 and 2012, CDFI earned a Management Fee of \$396,848 and \$491,954, respectively. As of December 31, 2013 and 2012, \$212,263 and \$208,832 remained payable, respectively.

Other payables

As the managing member, CDFI paid expenditures during the year on behalf of the Companies. As of December 31, 2013 and 2012, the Companies owed CDFI \$41,507 and \$34,750 in reimbursements, respectively.

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

6. Capital structure

CRA Fund

Pursuant to the CRA Operating Agreement, CRA Fund has the following capital structure:

		<u>2013</u>	<u>2012</u>
	CRA Fund Commitment Amount	CRA Fund Members' Equity	CRA Fund Members' Equity
First Bank	\$ 10,000,000	\$ 6,238,183	\$ 7,140,097
Wells Fargo	10,000,000	6,238,183	7,140,097
Chase	5,000,000	2,432,388	2,784,061
HSBC	5,000,000	2,349,659	2,689,372
CapitalSource	10,000,000	6,238,183	7,140,097
Total CRA Fund	<u>\$ 40,000,000</u>	<u>23,496,596</u>	<u>26,893,724</u>
Cumulative residual income		24,667	26,670
CRA Fund equity		<u>\$ 23,521,263</u>	<u>\$ 26,920,394</u>

From April 2008 to May 2010, the CRA Fund secured commitments of \$40,000,000 from the CRA Investor Members. From those commitments, CRA Investor Members made capital contributions of \$37,665,769 on or before August 2010. At this time additional capital calls were ceased. As of December 31, 2013 and 2012, CRA Investor Members have received capital distributions of \$14,523,211 and \$11,244,600, and priority return distributions of \$7,731,575 and \$6,110,774, respectively. As of December 31, 2013 and 2012, the CRA Fund has outstanding net loans receivable of \$22,831,220 and \$26,037,960, respectively.

CRA Fund II

Pursuant to the CRA II Operating Agreement, CRA Fund II has the following capital structure:

		<u>2013</u>	<u>2012</u>
	CRA Fund II Commitment Amount	CRA Fund II Members' Equity	CRA Fund II Members' Equity
CapitalSource	\$ 5,000,000	\$ 5,056,712	\$ 5,056,712
Opus Bank	5,000,000	3,482,842	3,482,842
California Republic Bank	3,000,000	1,651,759	-
Total CRA Fund II	<u>\$ 13,000,000</u>	<u>10,191,313</u>	<u>8,539,554</u>
Cumulative residual income		74,785	37,732
CRA Fund II equity		<u>\$ 10,266,098</u>	<u>\$ 8,577,286</u>

As of December 31, 2013 and 2012, CRA Fund II had secured commitments totaling \$13,000,000. Pursuant to the CRA II Operating Agreement, CRA II Investor Members are obligated to provide their contributions to fund new approved mortgage loans upon the receipt of the capital call notice. Pursuant to the First Amendment to the CRA II Operating Agreement effective May 9, 2013, no further capital calls will be made after December 31, 2013. As of December 31, 2013 and 2012, CRA II Investor Members have made capital contributions of \$10,088,241 and \$8,443,781, and have received priority return distributions of \$515,016 and \$135,046, respectively. As of December 31, 2013 and 2012, CRA II had outstanding net loans receivable of \$9,961,852 and \$2,030,535, respectively.

SUPPLEMENTARY INFORMATION

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**SUPPLEMENTARY SCHEDULE I**  
**COMBINING BALANCE SHEET**  
December 31, 2013

ASSETS	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Combined Balance</u>
Cash and cash equivalents	\$ 505,071	\$ 331,050	\$ 836,121
Restricted cash	197,817	74,191	272,008
Loans receivable, net	22,831,220	9,961,852	32,793,072
Accrued interest receivable	103,241	34,202	137,443
Due from CDFI	<u>2,487</u>	<u>-</u>	<u>2,487</u>
 Total assets	 <u>\$ 23,639,836</u>	 <u>\$ 10,401,295</u>	 <u>\$ 34,041,131</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities			
Due to CDFI			
Management fee payable	\$ 77,066	\$ 135,197	\$ 212,263
Other payables	<u>41,507</u>	<u>-</u>	<u>41,507</u>
Total liabilities	118,573	135,197	253,770
 Members' equity	 <u>23,521,263</u>	 <u>10,266,098</u>	 <u>33,787,361</u>
 Total liabilities and members' equity	 <u>\$ 23,639,836</u>	 <u>\$ 10,401,295</u>	 <u>\$ 34,041,131</u>

see independent auditors' report

**CLEARINGHOUSE CRA INVESTMENT FUNDS**

SUPPLEMENTARY SCHEDULE II

COMBINING BALANCE SHEET

December 31, 2012

ASSETS	CRA Fund	CRA Fund II	Combined Balance
Cash and cash equivalents	\$ 752,637	\$ 6,550,541	\$ 7,303,178
Restricted cash	197,817	29,130	226,947
Loans receivable, net	26,037,960	2,030,535	28,068,495
Accrued interest receivable	107,471	1,581	109,052
Due from CDFI	2,487	31,103	33,590
 Total assets	 \$ 27,098,372	 \$ 8,642,890	 \$ 35,741,262

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Due to CDFI

Management fee payable	\$ 143,228	\$ 65,604	\$ 208,832
Other payables	34,750	-	34,750
Total liabilities	177,978	65,604	243,582
 Members' equity	 26,920,394	 8,577,286	 35,497,680
Total liabilities and members' equity	\$ 27,098,372	\$ 8,642,890	\$ 35,741,262

see independent auditors' report



**CLEARINGHOUSE CRA INVESTMENT FUNDS**

**SUPPLEMENTARY SCHEDULE III**

**COMBINING STATEMENT OF OPERATIONS**

For the year ended December 31, 2013

	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Combined Balance</u>
<b>INTEREST INCOME</b>			
Interest income - loans receivable	<u>\$ 1,835,292</u>	<u>\$ 314,783</u>	<u>\$ 2,150,075</u>
<b>NON-INTEREST INCOME</b>			
Loan processing income	5,102	19,850	24,952
Investment capital income	<u>-</u>	<u>158,544</u>	<u>158,544</u>
Total non-interest income	<u>5,102</u>	<u>178,394</u>	<u>183,496</u>
<b>EXPENSES</b>			
Management fees	333,313	63,535	396,848
State franchise tax	6,800	4,200	11,000
Professional fees	<u>-</u>	<u>1,120</u>	<u>1,120</u>
Total expenses	<u>340,113</u>	<u>68,855</u>	<u>408,968</u>
Net income	<u>\$ 1,500,281</u>	<u>\$ 424,322</u>	<u>\$ 1,924,603</u>

see independent auditors' report

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**SUPPLEMENTARY SCHEDULE IV**  
**COMBINING STATEMENT OF OPERATIONS**  
For the year ended December 31, 2012

	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Combined Balance</u>
<b>INTEREST INCOME</b>			
Interest income - loans receivable	\$ 2,367,078	\$ 291,533	\$ 2,658,611
<b>NON-INTEREST INCOME</b>			
Loan processing income	39,164	1,392	40,556
Investment capital income	-	31,103	31,103
Total non-interest income	39,164	32,495	71,659
<b>EXPENSES</b>			
Management fees	436,477	55,477	491,954
State franchise tax	6,800	-	6,800
Professional fees	6,000	-	6,000
Total expenses	449,277	55,477	504,754
Net income	<u>\$ 1,956,965</u>	<u>\$ 268,551</u>	<u>\$ 2,225,516</u>

see independent auditors' report

**CLEARINGHOUSE CRA INVESTMENT FUNDS**  
**SUPPLEMENTARY SCHEDULE V**  
**COMBINING STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
For the years ended December 31, 2013 and 2012

	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Total Members' Equity</u>
Balance, January 1, 2012	\$ 35,044,587	\$ -	\$ 35,044,587
Equity contributions	-	8,443,781	8,443,781
Net income	1,956,965	268,551	2,225,516
Priority interest distributions	(1,997,507)	(135,046)	(2,132,553)
Equity distributions	<u>(8,083,651)</u>	<u>-</u>	<u>(8,083,651)</u>
Balance, December 31, 2012	26,920,394	8,577,286	35,497,680
Equity contributions	-	1,644,460	1,644,460
Net income	1,500,281	424,322	1,924,603
Priority interest distributions	(1,620,801)	(379,970)	(2,000,771)
Equity distributions	<u>(3,278,611)</u>	<u>-</u>	<u>(3,278,611)</u>
Balance, December 31, 2013	<u>\$ 23,521,263</u>	<u>\$ 10,266,098</u>	<u>\$ 33,787,361</u>

see independent auditors' report