

**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
BALANCE SHEET
AUGUST 31, 2006**

ASSETS

Current Assets

Cash in Bank	\$ 509,305
Due from United Mortgage Service	13,029
Due from Emvest, Inc.	11,824
Accrued Interest Receivable	<u>273,387</u>

Total Current Assets \$ 807,545

Loan Portfolio

Mortgage Loans held	\$ 15,575,685	
Less Loan Origination Fees	(250,933)	
Loans in Process & Advanced Costs	128,616	
Allowance for Foreclosed Assets	<u>(246,404)</u>	\$ 15,206,964

Other Assets

Bond - Certificate of Deposit	<u>\$ 10,000</u>
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Total Other Assets \$ 10,000

Total Assets \$ 16,024,509

LIABILITIES AND EQUITY

Current Liabilities

Accrued Expenses - Attorney for Receiver	\$ 33,870
Accrued Expenses - Receiver	<u>136,240</u>

Total Current Liabilities \$ 170,110

Total Members' Equity 15,854,399

Total Liabilities and Members' Equity \$ 16,024,509

**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
INCOME STATEMENT
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2006**

Revenue		
Interest Income	\$	1,157,776
Loan Origination Fees		<u>166,754</u>
Total Revenue	\$	1,324,530
Operating Expenses		
Accounting - Receiver	\$	34,603
Attorney Expenses - Receiver		58,106
Bad Debt Expense		103,482
Business Operations - Receiver		44,379
Court Appearances - Receiver		10,465
Dues & Subscriptions		500
Fee Application - Receiver		4,520
Filing Fees		20
Inspection		240
Licenses, Fees & Permits		545
Litigation Response - Receiver		77,814
Loan Documentation		13,475
Loan Servicing - Receiver		4,930
Loan Servicing Fees - UMS		34,464
Loan Servicing - FCI		3,305
Miscellaneous		193
Office Expense (Copies, Postage, etc.)		11,347
Set-up		1,395
Taxes		6,800
Tax Issues - Receiver		12,385
Telephone		<u>1,343</u>
Total Operating Expenses	\$	424,311
Net Ordinary Income		<u>900,219</u>
Other Income/(Expense)		
Other Income		1,320,263
Other Expense		<u>(6,942)</u>
Net Other Income/(Expense)		<u>1,313,321</u>
Net Income	\$	<u>2,213,540</u>

**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
STATEMENT OF MEMBERS' EQUITY
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2006**

Members' Equity at January 1, 2006	\$ 15,003,527
Net Income - Y-T-D 2006	2,213,540
Distributions - 2006	(668,247)
Withdrawals - 2006	(695,142)
Rounding	
Syndication Costs	<u>721</u>
Members' Equity at June 30, 2006	<u><u>\$ 15,854,399</u></u>

**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
RECAP OF MEMBERS EQUITY
FOR THE TIME PERIOD 01/01/02 THROUGH 08/31/06**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Y-T-D 2006</u>	<u>Totals</u>
Members' Equity at Beginning of Year	0-	\$ 3,774,359	\$ 10,646,176	\$ 15,269,624	\$ 15,003,527	
Capital Contributions	\$ 4,215,807	8,080,495	8,014,408	-	-	\$ 20,310,710
Net Income	97,702	520,460	721,953	1,147,862	2,213,540	4,701,517
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(668,247)	(4,129,381)
Withdrawals to Members	(182,734)	(426,570)	(2,140,175)	(556,103)	(695,142)	(4,000,724)
Rounding					3	
Syndication Costs	<u>(231,842)</u>	<u>(394,106)</u>	<u>(402,496)</u>	<u>-</u>	<u>721</u>	<u>(1,027,723)</u>
Members' Equity at End of Year	<u>\$ 3,774,359</u>	<u>\$ 10,646,176</u>	<u>\$ 15,269,624</u>	<u>\$ 15,003,527</u>	<u>\$ 15,854,399</u>	<u>\$ 15,854,402</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,721	

Emvest Mortgage Fund						
Schedule of Accrued Interest						
08/31/06						
Unified		Balance at		Last		Interest
Loan #	Name	08/31/06	Rate	Payment	# of Days	Due
E0209B	Smith	357,349.35	8.000%	07/31/06	N/A	
E20846	Olive	134,000.00	16.000%			59,973.26
E31224	Gary Gramling	120,324.61	13.000%	05/23/05	465	19,927.73
E40524	Miller	347,342.33	12.500%	08/31/06	0	-
E41261	Kim	1,080,000.00	13.000%	04/15/06	138	53,082.74
E50312	Fisher	378,249.78	12.000%	08/16/06	15	1,865.34
E50314	Brown	381,738.46	12.500%	05/15/06	108	14,119.09
PNL0528	Barnes	16,769.06	11.790%	08/31/06	0	-
PNL1090	Rimple	56,384.06	10.250%	08/16/06	15	237.51
PNL1260	Sumner	18,878.10	12.750%	11/01/04	668	4,405.06
PNL3191	Williams	30,130.27	12.550%	08/16/06	15	155.40
PNL3528	Norwood	16,387.50	14.375%	08/16/06	15	96.81
PNL4020	Tejada	-	13.000%	08/16/06	15	-
PNL7529	Flaskamp	17,207.24	12.875%	08/16/06	15	91.05
PNL8239	Morales	30,750.96	13.875%	08/16/06	15	175.34
Sub Totals		2,985,511.72				154,129.34
FCI		Balance at		Last		Interest
Loan #	Name	08/31/06	Rate	Payment	# of Days	Due
GOOD-001	Riviere	58,948.73	12.000%	08/03/06	28	542.65
WG-01	Sanchez	434,318.27	12.000%	08/03/06	28	3,998.11
ALG/115	Lerman	296,929.69	12.250%	08/22/06	9	896.89
GOOD-004	McQuire	455,000.00	12.000%	07/01/06	61	9,124.93
ALG/109	Bennett	-	13.000%	08/18/06	13	-
PNL8840	Thorsen	50,563.94	11.250%	04/01/05	517	8,057.33
ALG/117	Munee	635,292.50	12.000%	08/28/06	3	626.59
GOOD-005	Cordova	-	12.000%	08/25/06	6	-
FCI/1	Thomas	540,000.00	14.500%	08/01/06	30	6,435.62
ALG/118	Stevens	347,530.96	12.250%	08/02/06	29	3,382.48
FCI/2	Baez	280,000.00	15.000%	08/03/06	28	3,221.92
FCI/3	Int'l Executive	320,000.00	11.950%	08/19/06	12	1,257.21
ALG/120	Roberts	149,800.08	13.250%	08/23/06	8	435.04
FCI/5	Seng	548,000.00	13.000%	08/29/06	2	390.36
ALG/122	Sellers	288,917.31	12.000%	04/13/06	140	13,298.11
FCI/6	Morley	122,000.00	13.000%	08/07/06	24	1,042.85
FCI/10	Carriage Trade	60,000.00	15.000%	07/17/06	45	1,109.59
FCI/9	Sims	565,000.00	13.000%	06/24/06	68	13,683.84
FCI/10	Baez	180,000.00	13.000%	07/21/06	41	2,628.49
FCI/12	Colbert/Murray	374,513.70	11.500%	08/10/06	21	2,477.95
FCI/8	Praise Tabernacle	160,000.00	12.950%	08/24/06	7	397.37
FCI/13	Middell	448,000.00	11.500%	06/15/06	77	10,868.60
ALG/123	Zohn	224,870.60	12.000%	08/09/06	22	1,626.46
FCI/14	Weerasuriya	252,963.37	14.990%	07/16/06	46	4,778.86
FCI/17	Martinez	584,841.69	12.250%	08/25/06	6	1,177.69
FCI/18	Greene	229,941.67	13.000%	07/31/06	31	2,538.81
FCI/19	Mendoza	981,500.00	12.500%	08/24/06	7	2,352.91
FCI/20	Mendoza	348,500.00	12.500%	08/24/06	7	835.45
ALG/125	Deschenese	68,000.00	12.000%	07/31/06	31	693.04
FCI/22	Wilkens	165,000.00	15.000%	08/14/06	17	1,152.74
FCI/15	Cuningham	669,500.00	13.000%	07/16/06	46	10,968.79
FCI/26	Byington	650,000.00	13.500%	07/31/06	31	7,452.74
ALG/124	Haywood	249,925.00			0	-
ALG/127	Grotjahn	475,000.00			0	-
FCI/24	Laurel Canyon	275,000.00			0	-
FCI/25	Tashchyan	369,815.45			0	-
FCI/27	Nelson	310,500.00			0	-
FCI/28	Hatherley	420,000.00	12.000%	08/14/06	17	2,347.40
Sub Totals		12,590,172.96				119,258.15
Grand Totals		15,575,684.68				273,387.48

