

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

ASSETS

Current Assets

Cash in Bank	\$ 585,712
Due from United Mortgage Service	13,029
Due from Emvest, Inc.	8,984
Accrued Interest Receivable	<u>236,158</u>

Total Current Assets \$ 843,883

Loan Portfolio

Mortgage Loans held	\$ 15,536,308
Less Loan Origination Fees	(231,814)
Loans in Process & Advanced Costs	128,617
Allowance for Foreclosed Assets	<u>(246,404)</u>

\$ 15,186,707

Other Assets

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

Total Assets \$ 16,040,590

LIABILITIES AND EQUITY

Current Liabilities

Accrued Expenses - Attorney for Receiver	\$ 30,973
Accrued Expenses - Receiver	<u>136,328</u>

Total Current Liabilities \$ 167,301

Total Members' Equity 15,873,289

Total Liabilities and Members' Equity \$ 16,040,590

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

Revenue		
Interest Income	\$	1,009,260
Loan Origination Fees		<u>159,965</u>
Total Revenue	\$	1,169,225
Operating Expenses		
Accounting - Receiver	\$	29,891
Attorney Expenses - Receiver		53,682
Bad Debt Expense		103,482
Business Operations - Receiver		38,311
Court Appearances - Receiver		7,000
Dues & Subscriptions		500
Fee Application - Receiver		4,002
Filing Fees		20
Inspection		240
Licenses, Fees & Permits		545
Litigation Response - Receiver		72,319
Loan Documentation		13,475
Loan Servicing - Receiver		4,930
Loan Servicing Fees - UMS		33,687
Loan Servicing - FCI		2,810
Miscellaneous		193
Office Expense (Copies, Postage, etc.)		10,207
Set-up		1,395
Taxes		6,800
Tax Issues - Receiver		12,233
Telephone		<u>1,301</u>
Total Operating Expenses	\$	397,023
Net Ordinary Income		<u>772,202</u>
Other Income/(Expense)		
Other Income		1,319,208
Other Expense		<u>(6,942)</u>
Net Other Income/(Expense)		<u>1,312,266</u>
Net Income	\$	<u>2,084,468</u>

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

Members' Equity at January 1, 2006	\$ 15,003,527
Net Income - Y-T-D 2006	2,084,468
Distributions - 2006	(586,363)
Withdrawals - 2006	-
	(628,346)
Rounding	<u>3</u>
Members' Equity at June 30, 2006	<u><u>\$ 15,873,289</u></u>

**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
RECAP OF MEMBERS EQUITY
FOR THE TIME PERIOD 01/01/02 THROUGH 07/31/06**

	<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	2,084,468	4,572,445
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(586,363)	(4,047,497)
Withdrawals to Members	(182,734)	(426,570)	(2,140,175)	(556,103)	(628,346)	(3,933,928)
Rounding					3	3
Syndication Costs	<u>(231,842)</u>	<u>(394,106)</u>	<u>(402,496)</u>	<u>-</u>	<u>-</u>	<u>(1,028,444)</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>\$ 15,873,289</u>	<u>\$ 15,873,289</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,693	

Emvest Mortgage Fund							
Schedule of Accrued Interest							
7/31/2006							
Unified		Balance at		Last	End of		Interest
Loan #	Name	7/31/2006	Rate	Payment	Month	# of Days	Due
E0209B	Smith	357,349.35	8.000%	07/31/06	07/31/06	0	
E20846	Olive	134,000.00	16.000%				59,973.26
E31224	Gary Gramling	120,324.61	13.000%	05/23/05	07/31/06	434	18,599.22
E40524	Miller	347,458.37	12.500%	07/15/06	07/31/06	16	1,903.88
E41261	Kim	1,080,000.00	13.000%	04/15/06	07/31/06	107	41,158.36
E50312	Fisher	378,374.76	12.000%	07/01/06	07/31/06	30	3,731.92
E50314	Brown	381,738.46	12.500%	05/15/06	07/31/06	77	10,066.39
PNL0528	Barnes	16,864.45	11.790%	07/08/06	07/31/06	23	125.29
PNL1090	Rimple	56,483.23	10.250%	07/31/06	07/31/06	0	-
PNL1260	Sumner	18,878.10	12.750%	11/01/04	07/31/06	637	4,200.64
PNL3191	Williams	30,195.13	12.550%	07/11/06	07/31/06	20	207.64
PNL3528	Norwood	16,407.01	14.375%	07/01/06	07/31/06	30	193.85
PNL4020	Tejada	19,772.84	13.000%	06/01/06	07/31/06	60	422.54
PNL7529	Flaskamp	17,213.35	12.875%	07/01/06	07/31/06	30	182.15
PNL8239	Morales	30,759.55	13.875%	07/01/06	07/31/06	30	350.79
Sub Totals		3,005,819.21					141,115.93
FCI		Balance at		Last			Interest
Loan #	Name	7/31/2006	Rate	Payment		# of Days	Due
GOOD-001	Riviere	59,019.20	12.000%	07/16/06	07/31/06	15	291.05
WG-01	Sanchez	434,459.44	12.000%	06/01/06	07/31/06	60	8,570.16
ALG/115	Lerman	297,250.94	12.250%	07/01/06	07/31/06	30	2,992.87
GOOD-004	McQuire	455,000.00	12.000%	07/01/06	07/31/06	30	4,487.67
ALG/109	Bennett	204,610.45	13.000%	06/01/06	07/31/06	60	4,372.50
PNL8840	Thorsen	50,563.94	11.250%	04/01/05	07/31/06	486	7,574.20
ALG/117	Munee	635,685.27	12.000%	07/01/06	07/31/06	30	6,269.77
GOOD-005	Cordova	153,775.30	12.000%	05/30/06	07/31/06	62	3,134.49
FCI/1	Thomas	540,000.00	14.500%	07/08/06	07/31/06	23	4,933.97
ALG/118	Stevens	347,894.52	12.250%	07/21/06	07/31/06	10	1,167.59
FCI/2	Baez	280,000.00	15.000%	07/13/06	07/31/06	18	2,071.23
FCI/3	Int'l Executive	320,000.00	11.950%	07/20/06	07/31/06	11	1,152.44
ALG/120	Roberts	149,834.32	13.250%	07/09/06	07/31/06	22	1,196.62
FCI/5	Seng	548,000.00	13.000%	07/24/06	07/31/06	7	1,366.25
ALG/122	Sellers	288,917.31	12.000%	04/13/06	07/31/06	109	10,353.53
FCI/6	Morley	122,000.00	13.000%	07/17/06	07/31/06	14	608.33
FCI/10	Carriage Trade	60,000.00	15.000%	07/17/06	07/31/06	14	345.21
FCI/9	Sims	565,000.00	13.000%	06/24/06	07/31/06	37	7,445.62
FCI/10	Baez	180,000.00	13.000%	07/21/06	07/31/06	10	641.10
FCI/12	Colbert/Murray	374,637.02	11.500%	07/04/06	07/31/06	27	3,186.98
FCI/8	Praise Tabernacle	160,000.00	12.950%	07/11/06	07/31/06	20	1,135.34
FCI/13	Middell	448,000.00	11.500%	06/15/06	07/31/06	46	6,492.93
ALG/123	Zohn	224,935.62	12.000%	07/31/06	07/31/06	0	-

Emvest Mortgage Fund							
Schedule of Accrued Interest							
7/31/2006							
FCI/14	Weerasuriya	252,963.37	14.990%	07/16/06	07/31/06	15	1,558.32
FCI/17	Martinez	585,000.00	12.250%	06/26/06	07/31/06	35	6,871.75
FCI/18	Greene	229,941.67	13.000%	07/31/06	07/31/06	0	-
FCI/19	Mendoza	981,500.00	12.500%	07/27/06	07/31/06	4	1,344.52
FCI/20	Mendoza	348,500.00	12.500%	07/27/06	07/31/06	4	477.40
ALG/125	Deschenese	68,000.00	12.000%	07/31/06	07/31/06	0	-
FCI/22	Wilkens	165,000.00	15.000%	07/10/06	07/31/06	21	1,423.97
FCI/15	Cunnigham	669,500.00	13.000%	07/16/06	07/31/06	15	3,576.78
FCI/26	Byington	650,000.00	13.500%	07/31/06	07/31/06	0	-
ALG/124	Haywood	250,000.00				0	-
ALG/127	Grotjahn	475,000.00				0	-
FCI/24	Laurel Canyon	275,000.00				0	-
FCI/25	Tashchyan	370,000.00				0	-
FCI/27	Nelson	310,500.00				0	-
Sub Totals		12,530,488.37					95,042.59
Grand Totals		15,536,307.58					236,158.51