

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

ASSETS

Current Assets

Cash in Bank	\$ 205,364
Due from United Mortgage Service	12,673
Due from Emvest, Inc.	12,100
Accrued Interest Receivable	<u>392,772</u>

Total Current Assets \$ 622,909

Loan Portfolio

Mortgage Loans held	\$ 15,746,419
Less Loan Origination Fees	(231,351)
Loans in Process & Advanced Costs	127,976
Allowance for Foreclosed Assets	<u>(246,404)</u>

\$ 15,396,640

Other Assets

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

Total Assets \$ 16,029,549

LIABILITIES AND EQUITY

Current Liabilities

Accrued Expenses - Attorney for Receiver	\$ 34,285
Accrued Expenses - Receiver	<u>153,105</u>

Total Current Liabilities \$ 187,390

Total Members' Equity 15,842,159

Total Liabilities and Members' Equity \$ 16,029,549

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

Revenue	
Interest Income	\$ 1,502,320
Loan Origination Fees	190,361
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Total Revenue	\$ 1,692,681
Operating Expenses	
Accounting - Receiver	\$ 40,265
Attorney Expenses - Receiver	64,762
Bad Debt Expense	103,482
Business Operations - Receiver	61,546
Court Appearances - Receiver	10,465
Dues & Subscriptions	500
Fee Application - Receiver	5,693
Filing Fees	20
Inspection	240
Licenses, Fees & Permits	570
Litigation Response - Receiver	93,137
Loan Documentation	13,475
Loan Servicing - Receiver	4,930
Loan Servicing Fees - UMS	35,893
Loan Servicing - FCI	4,160
Miscellaneous	1,360
Office Expense (Copies, Postage, etc.)	13,050
Set-up	1,395
Taxes	6,800
Tax Issues - Receiver	13,032
Telephone	1,856
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Total Operating Expenses	\$ 476,631
Net Ordinary Income	1,216,050
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Other Income/(Expense)	
Other Income	1,321,893
Other Expense	(6,942)
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Net Other Income/(Expense)	1,314,951
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Net Income	\$ 2,531,001
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**EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
RECAP OF MEMBERS EQUITY
FOR THE TIME PERIOD 01/01/02 THROUGH 10/31/06**

	<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	2,531,001	5,018,978
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(831,347)	(4,292,481)
Withdrawals to Members	(182,734)	(426,570)	(2,140,175)	(556,103)	(870,751)	(4,176,333)
Rounding						
Syndication Costs	<u>(231,842)</u>	<u>(394,106)</u>	<u>(402,496)</u>	<u>-</u>	<u>9,727</u>	<u>(1,018,717)</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>\$ 15,842,157</u>	<u>\$ 15,842,157</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,819	

