

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010, 2009, and 2008

CONTENTS

Independent Auditor's Report.....	1
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Activities.....	3
Consolidated Statements of Functional Expenses	4
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Consolidating Schedule of Financial Position	14
Consolidating Schedule of Activities	15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Working Capital for Community Needs, Inc.
Madison, Wisconsin

We have audited the accompanying consolidated statements of financial position of Working Capital for Community Needs, Inc. as of December 31, 2010, 2009, and 2008, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Working Capital for Community Needs, Inc. as of December 31, 2010, 2009, and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual organizations, and are not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wegner LLP

Wegner LLP
Madison, Wisconsin
March 23, 2011



WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2010, 2009, and 2008

	2010	2009	2008
ASSETS			
CURRENT ASSETS			
Cash	\$ 88,599	\$ 412,393	\$ 110,230
Accrued interest receivable	158,600	174,645	167,350
Investments	1,533,339	1,641,225	996,672
CC Fund notes receivable - current portion	5,299,478	4,895,593	5,002,167
CN LLC notes receivable - current portion	1,067,000	872,500	-
Prepaid expenses	13,608	3,196	5,768
Other receivables	19,415	3,950	-
Total current assets	8,180,039	8,003,502	6,282,187
EQUIPMENT			
Equipment	4,047	4,047	16,050
Less accumulated depreciation	3,304	2,259	13,217
Equipment - net	743	1,788	2,833
OTHER ASSETS			
CC Fund notes receivable less current portion	3,054,229	2,554,953	3,677,903
CN LLC notes receivable less current portion	-	724,659	-
Total assets	\$ 11,235,011	\$ 11,284,902	\$ 9,962,923
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current portion of notes payable	\$ 3,244,706	\$ 3,068,287	\$ 2,529,103
Accounts payable and accrued expenses	24,826	21,490	10,123
Accrued interest payable	137,444	131,928	124,360
Total current liabilities	3,406,976	3,221,705	2,663,586
LONG-TERM LIABILITIES			
Notes payable less current portion	5,863,973	6,127,115	5,462,267
Total liabilities	9,270,949	9,348,820	8,125,853
NET ASSETS			
Unrestricted	1,713,585	1,685,355	1,585,818
Temporarily restricted	250,477	250,727	251,252
Total net assets	1,964,062	1,936,082	1,837,070
Total liabilities and net assets	\$ 11,235,011	\$ 11,284,902	\$ 9,962,923

See accompanying notes.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended December 31, 2010, 2009, and 2008

	2010	2009	2008
UNRESTRICTED NET ASSETS			
SUPPORT AND REVENUE			
Investment return	\$ 928,913	\$ 958,089	\$ 907,415
Contributions	72,105	91,926	100,204
Loan fees	63,500	59,312	56,120
Tour fees	3,875	5,900	17,750
Sales	785	763	1,829
Other	1,428	412	350
Total unrestricted support and revenue	1,070,606	1,116,402	1,083,668
EXPENSES			
Program services			
Microfinance	791,568	754,097	520,957
Educational and other	81,225	93,947	178,568
Supporting activities			
Management and general	130,780	125,016	102,800
Fundraising	39,803	44,705	34,956
Total expenses	1,043,376	1,017,765	837,281
Net assets released from restrictions	1,000	900	-
Change in unrestricted net assets	28,230	99,537	251,309
TEMPORARILY RESTRICTED NET ASSETS			
Contributions	750	375	900
Net assets released from restrictions	(1,000)	(900)	(4,922)
Change in temporarily restricted net assets	(250)	(525)	(4,022)
Change in net assets	27,980	99,012	247,287
Net assets - beginning of year	1,936,082	1,837,070	1,589,783
Net assets - end of year	\$ 1,964,062	\$ 1,936,082	\$ 1,837,070

See accompanying notes.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (continued)
Years ended December 31, 2010, 2009, and 2008

2008	Program Services		Management and General	Fundraising	Total
	Microfinance	Educational and other			
Personnel	\$ 46,894	\$ 96,439	\$ 60,455	\$ 27,236	\$ 231,024
Interest on investor loans	290,384	-	-	-	290,384
Consultants	45,819	3,920	3,265	-	53,004
Legal	33,032	250	2,709	-	35,991
Grants and allocations	-	27,425	-	-	27,425
Office expense	6,418	8,953	6,469	1,513	23,353
Accounting	-	-	9,180	-	9,180
Resources	1,292	163	474	38	1,967
Insurance	36	27	1,266	8	1,337
Bank and investment fees	1,768	30	707	480	2,985
Occupancy	18,629	6,624	6,329	2,007	33,589
Travel and training	7,521	19,967	274	-	27,762
Conferences and meetings	2,614	995	6,218	406	10,233
Provision for loan losses	63,101	10,350	-	-	73,451
Marketing	3,414	3,399	3,001	3,260	13,074
Other	35	26	2,453	8	2,522
Total expenses	\$ 520,957	\$ 178,568	\$ 102,800	\$ 34,956	\$ 837,281

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2010, 2009, and 2008

	2010	2009	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 27,980	\$ 99,012	\$ 247,287
Adjustments to reconcile change in net assets to net cash flows from operating activities			
Depreciation	1,045	1,045	978
Donated stock	(14,876)	(3,079)	(10,259)
Unrealized and realized loss on investments	10,267	-	-
Conversion of note receivable to other receivables	297,801	-	-
Increase (decrease) in loan loss reserve	(187,301)	145,291	73,451
(Increase) decrease in assets			
Accrued interest receivable	16,045	(7,295)	(41,338)
Prepaid expenses	(10,412)	2,572	(414)
Other receivables	(15,465)	(3,950)	3,808
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	3,336	11,367	(717)
Accrued interest payable	5,516	7,568	25,693
Net cash flows from operating activities	133,936	252,531	298,489
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of equipment	-	-	(3,136)
Purchases of investments	(6,963,250)	(1,705,264)	(1,432,672)
Proceeds from sale of investments	7,060,869	1,060,711	436,000
Redemption of certificates of deposit	-	-	441,275
Issuance of notes receivable	(7,250,626)	(6,087,500)	(5,615,000)
Collection of notes receivable	6,767,124	5,574,574	5,152,924
Proceeds from sale of donated stock	14,876	3,079	10,259
Net cash flows from investing activities	(371,007)	(1,154,400)	(1,010,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from notes payable	3,420,552	4,143,193	2,431,989
Payment of notes payable	(3,507,275)	(2,939,161)	(1,703,931)
Net cash flows from financing activities	(86,723)	1,204,032	728,058
Net change in cash	(323,794)	302,163	16,197
Cash - beginning of year	412,393	110,230	94,033
Cash - end of year	\$ 88,599	\$ 412,393	\$ 110,230
SUPPLEMENTARY INFORMATION			
Cash payments for interest on investor loans	\$ 369,122	\$ 319,553	\$ 264,691
Non-cash investing activities			
Donations of stock	14,876	3,079	14,496
Conversion of note receivable to other receivables	297,801	-	-

See accompanying notes.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

Working Capital for Community Needs, Inc. (WCCN) partners with individuals and organizations in Latin America and the United States of America to build sustainable economic opportunities that help people work their way out of poverty. WCCN provides low-income Latin American entrepreneurs and small farmers access to financing through various microfinance agencies and producer cooperatives to help them grow their operations and work their way out of poverty. The majority of WCCN's portfolio consisted of loans made to agencies in Nicaragua at December 31, 2010. To facilitate its activities in the greater Latin America area, WCCN formed a separate limited liability company, Community Needs, LLC during 2009. The LLC may further WCCN's purposes by participating in models that differ from WCCN's traditional avenues for promoting economic development.

Located in Madison, Wisconsin, WCCN is supported primarily through donor contributions and interest from its loan fund. The following summary of significant accounting policies is presented to enhance the usefulness of the consolidated financial statements to the reader.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of WCCN and Community Needs, LLC, of which WCCN is the sole member. All significant interorganizational transactions and accounts have been eliminated.

Basis of Presentation

WCCN is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by WCCN in perpetuity.

Investments

WCCN carries investments in mutual funds, money funds and certificates of deposits that are traded in secondary markets at fair value. Investment return consists of interest income and capital gains.

Notes Receivable

Notes receivable consist of amounts due from microfinance organizations and producer cooperatives in Latin America. Interest income is accrued on a monthly basis. The allowance for loan loss reserve is estimated based on an analysis of the risk criteria for each borrower in the portfolio. A percentage of the loan amount is set aside in the allowance account based on the risk assessment. The aggregate of those assessments is used as a means to estimate the amount needed in the allowance account.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Purchases of equipment in excess of \$1,500 are capitalized and depreciated over the asset's useful life using the straight-line method.

Notes Payable

WCCN borrows funds from individuals and organizations at interest rates that averaged 4.04%, 3.98%, and 3.82% at December 31, 2010, 2009, and 2008. While less than the rates charged by commercial lenders, these rates approximate the prevailing rate in the community credit market. Accordingly, notes payable are recorded at their face value.

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

WCCN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, WCCN qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Community Needs, LLC is observed as a "disregarded entity" and therefore all activity of this entity is reported on the informational return of WCCN. WCCN's federal exempt organization information is subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, WCCN is no longer subject to such examinations for years before 2007.

Date of Management's Review

Management has evaluated subsequent events through March 23, 2011, the date which the consolidated financial statements were available to be issued.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 2 – RETIREMENT PLAN

WCCN has a SIMPLE IRA plan in which employees with prior year earnings of \$3,000 or more are eligible to participate. Employer contributions to the plan are 3% of the employee's annual compensation. Retirement expense was \$8,267, \$6,265, and \$5,606 for 2010, 2009, and 2008.

NOTE 3 – OPERATING LEASE

WCCN rents office space in Madison, Wisconsin under an annual lease agreement that requires monthly payments of \$2,117. Lease expense was \$25,404, \$25,366, and \$23,724 in 2010, 2009, and 2008. Community Needs, LLC rents office space adjoined to WCCN under an annual lease agreement that requires monthly payments of \$463. Lease expense for the LLC was \$5,550 for 2010.

NOTE 4 – RELATED PARTIES

WCCN had notes payable to board members totaling \$112,122, \$117,060, and \$117,000 at December 31, 2010, 2009 and 2008. The interest rates on the notes range from 3% to 6% and the notes mature on various dates between August 2012 and February 2015.

NOTE 5 – OTHER RECEIVABLES

During 2010, WCCN was assigned receivables of one of the borrowers in exchange for its note receivable. The outstanding balance on the receivables was \$388,300 and the allowance for doubtful accounts was \$368,885 at December 31, 2010.

NOTE 6 – INVESTMENTS

Investments at December 31 2010, 2009, and 2008 consisted of the following:

	2010	2009	2008
Money fund	\$ 1,252,605	\$ 431,192	\$ 572,710
Certificates of deposit	-	1,210,033	423,962
Bond fund	280,734	-	-
Investments	\$ 1,533,339	\$ 1,641,225	\$ 996,672

NOTE 7 – NOTES RECEIVABLE

Capital for Communities Fund (CC Fund, formerly known as the NICA Fund)

WCCN participates in loan agreements with 15 Latin American not-for-profit organizations, seven Latin American cooperatives, and one Nicaraguan financial institution. These organizations use borrowed funds under the terms of the loan agreements for various projects in Latin America. The loans are for terms of six months to three years at interest rates ranging from 9% to 11%. Interest payments are generally due quarterly and principal payments are due semi-annually. Since the loans are considered to be at a market rate of interest, no additional discounting is deemed necessary.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 7 – NOTES RECEIVABLE (continued)

Notes receivable for the CC Fund at December 31, 2010, 2009, and 2008 consisted of the following:

	2010	2009	2008
CC Fund notes receivable	\$ 8,616,711	\$ 7,908,510	\$ 9,018,084
Less loan loss reserve	263,004	457,964	338,014
CC Fund notes receivable - net	8,353,707	7,450,546	8,680,070
Less current portion	5,299,478	4,895,593	5,002,167
CC Fund notes receivable less current portion	<u>\$ 3,054,229</u>	<u>\$ 2,554,953</u>	<u>\$ 3,677,903</u>

Community Needs, LLC Fund (CN LLC)

WCCN maintains an agreement with Community Needs, LLC for services related to communications and payment collections on the receivables of the Community Needs, LLC. The Community Needs, LLC Fund holds loan agreements with three Latin American cooperatives. The loans are for terms of three to six months at interest rates ranging from 10% to 11%. Interest and principal payments are generally due at maturity. Since the loans are considered to be at a market rate of interest, no additional discounting is deemed necessary.

Notes receivable for the CN LLC Fund at December 31, 2010, 2009, and 2008 consisted of the following:

	2010	2009	2008
CN LLC notes receivable	\$ 1,100,000	\$ 1,622,500	\$ -
Less loan loss reserve	33,000	25,341	-
CN LLC notes receivable - net	1,067,000	1,597,159	-
Less current portion	1,067,000	872,500	-
CN LLC notes receivable less current portion	<u>\$ -</u>	<u>\$ 724,659</u>	<u>\$ -</u>

NOTE 8 – NOTES PAYABLE

Capital for Communities Fund (CC Fund)

Through the Capital for Communities Fund, WCCN accumulates funds from lenders in the United States and in turn lends in larger amounts to various organizations in Latin America that operate loan programs serving low-income borrowers. As of December 31, 2010, 2009, and 2008, there were approximately 3,000 notes executed with cumulative unpaid principal of \$9,108,679, \$9,195,402, and \$7,991,370. Interest rates on the notes range from 0% to 6% with maturities of one to five years. Since the loans are considered to be at a market rate of interest in the community credit market, no additional discounting is deemed necessary.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 8 – NOTES PAYABLE (continued)

Notes payable for the CC Fund consisted of the following at December 31, 2010, 2009, and 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Notes payable	\$ 9,108,679	\$ 9,195,402	\$ 7,991,370
Less current portion	<u>3,244,706</u>	<u>3,068,287</u>	<u>2,529,103</u>
Notes payable less current portion	<u>\$ 5,863,973</u>	<u>\$ 6,127,115</u>	<u>\$ 5,462,267</u>

Principal maturities of the notes payable for the years ending December 31 are as follows:

2011	\$ 3,244,706
2012	2,689,885
2013	1,471,135
2014	833,500
2015	<u>869,453</u>
Total	<u>\$ 9,108,679</u>

Community Needs, LLC Fund (CN LLC)

Community Needs, LLC is capitalized only with contributions from WCCN.

NOTE 9 – CONCENTRATION OF CREDIT RISK

The amounts loaned by WCCN to organizations in Latin America (“borrowing agencies”) are in turn lent to small enterprises and individuals in Latin America. WCCN has disbursed such loans in Nicaragua, El Salvador, Guatemala, Ecuador, and Honduras. The majority of the loans are disbursed in Nicaragua. Notes executed between WCCN and the borrowing agencies are collateralized by assets of limited value. The nature of the loans and the limited value of collateral constitute a significant concentration of credit risk for WCCN. Since this portion of WCCN’s assets is concentrated outside the United States, it is reasonably possible that operations could be interrupted in the near term. All notes payable and notes receivable are denominated solely in United States dollars, so there is no direct currency risk to WCCN.

The notes from lenders to WCCN hold WCCN harmless for default on repayment if borrowing agencies default on notes to WCCN. If these hold harmless clauses are legally enforceable, then WCCN’s losses on the borrowing agencies’ default on their notes would not be significant. If the hold harmless clauses are not enforceable, then WCCN could be held liable for any outstanding unpaid balances on its notes with lenders. Under such circumstances, WCCN’s other assets may not be sufficient to repay the original lenders.

Fondo de Garantia de Depositos de las Instituciones Financieras insures Nicaragua bank accounts up to \$20,000. WCCN’s deposits in excess of this limit were \$0, \$75,465, \$3,712 at December 31, 2010, 2009, and 2008.

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 10 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2010, 2009 and 2008 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Fund	\$ 1,252,605	\$ 1,252,605	\$ -	\$ -
Bond Fund	280,734	280,734	-	-
2010	<u>\$ 1,533,339</u>	<u>\$ 1,533,339</u>	<u>\$ -</u>	<u>\$ -</u>
Money Fund	\$ 431,192	\$ 431,192	\$ -	\$ -
Certificate of deposits	1,210,033	-	1,210,033	-
2009	<u>\$ 1,641,225</u>	<u>\$ 431,192</u>	<u>\$ 1,210,033</u>	<u>\$ -</u>
Money Fund	\$ 572,710	\$ 572,710	\$ -	\$ -
Certificate of deposits	423,962	-	423,962	-
2008	<u>\$ 996,672</u>	<u>\$ 572,710</u>	<u>\$ 423,962</u>	<u>\$ -</u>

Fair values for money funds and bond funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for the certificates of deposit are determined by using a matrix approach based on interest rates.

NOTE 11 – NET ASSETS

WCCN's board of directors has chosen to place the following limitations on unrestricted net assets:

	2010	2009	2008
Designated for Mission Related Investments (including CC Fund)	\$ -	\$ -	\$ 1,585,818
Undesignated	1,713,585	1,685,355	-
Unrestricted net assets	<u>\$ 1,713,585</u>	<u>\$ 1,685,355</u>	<u>\$ 1,585,818</u>

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010, 2009, and 2008

NOTE 11 – NET ASSETS (continued)

Temporarily restricted net assets are available for the following purposes:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
CC Equity Fund	\$ 249,784	\$ 249,784	\$ 249,784
Various Projects in Nicaragua	<u>693</u>	<u>943</u>	<u>1,468</u>
Temporarily restricted net assets	<u>\$ 250,477</u>	<u>\$ 250,727</u>	<u>\$ 251,252</u>

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2010

ASSETS	WCCN	Community Needs, LLC	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 88,000	\$ 599	\$ -	\$ 88,599
Accrued interest receivable	143,616	14,984	-	158,600
Investments	615,719	917,620	-	1,533,339
CC Fund notes receivable - current portion	5,299,478	-	-	5,299,478
CN LLC notes receivable - current portion	-	1,067,000	-	1,067,000
Prepaid expenses	13,608	-	-	13,608
Other receivables	187,521	500	(168,606)	19,415
Total current assets	6,347,942	2,000,703	(168,606)	8,180,039
EQUIPMENT				
Equipment	4,047	-	-	4,047
Less accumulated depreciation	3,304	-	-	3,304
Equipment - net	743	-	-	743
OTHER ASSETS				
CC Fund notes receivable less current portion	3,054,229	-	-	3,054,229
CN LLC notes receivable less current portion	-	-	-	-
Investment in CN, LLC	1,832,598	-	(1,832,598)	-
Total assets	\$ 11,235,512	\$ 2,000,703	\$ (2,001,204)	\$ 11,235,011
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion of notes payable	\$ 3,244,706	\$ -	\$ -	\$ 3,244,706
Accounts payable and accrued expenses	25,326	168,106	(168,606)	24,826
Accrued interest payable	137,444	-	-	137,444
Total current liabilities	3,407,476	168,106	(168,606)	3,406,976
LONG-TERM LIABILITIES				
Notes payable less current portion	5,863,973	-	-	5,863,973
Total liabilities	9,271,449	168,106	(168,606)	9,270,949
NET ASSETS				
Unrestricted	1,713,585	-	-	1,713,585
Temporarily restricted	250,477	-	-	250,477
Member equity	-	1,832,598	(1,832,598)	-
Total net assets	1,964,062	1,832,598	(1,832,598)	1,964,062
Total liabilities and net assets	\$ 11,235,511	\$ 2,000,704	\$ (2,001,204)	\$ 11,235,011

WORKING CAPITAL FOR COMMUNITY NEEDS, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year ended December 31, 2010

	WCCN	Community Needs, LLC	Eliminations	Total
UNRESTRICTED NET ASSETS				
SUPPORT AND REVENUE				
Investment return	\$ 791,663	\$ 137,250	\$ -	\$ 928,913
Contributions	72,105	-	-	72,105
Loan fees	51,861	14,750	(3,111)	63,500
Tour fees	3,875	-	-	3,875
Sales	785	-	-	785
Other	1,428	-	-	1,428
Total unrestricted support and revenue	921,717	152,000	(3,111)	1,070,606
EXPENSES				
Personnel	235,783	72,635	-	308,418
Interest on investor loans	374,638	-	-	374,638
Consultants	53,887	26,383	-	80,270
Legal	20,222	6,459	-	26,681
Grants and allocations	750	-	-	750
Office expense	21,666	3,998	-	25,664
Accounting	11,109	1,824	-	12,933
Resources	8,887	1,459	-	10,346
Insurance	6,490	1,065	-	7,555
Bank and investment fees	14,080	4,215	(3,111)	15,184
Occupancy	36,544	5,550	-	42,094
Travel and training	20,507	7,165	-	27,672
Conferences and meetings	11,548	720	-	12,268
Provision for loan losses	77,839	7,659	-	85,498
Marketing	9,683	1,117	-	10,800
Other	2,238	367	-	2,605
Total expenses	905,871	140,616	(3,111)	1,043,376
Net assets released from restrictions	1,000	-	-	1,000
Change in unrestricted net assets	16,846	11,384	-	28,230
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	750	-	-	750
Net assets released from restrictions	(1,000)	-	-	(1,000)
Change in temporarily restricted net assets	(250)	-	-	(250)
Change in net assets	<u>\$ 16,596</u>	<u>\$ 11,384</u>	<u>\$ -</u>	<u>\$ 27,980</u>