Financial Statements
September 30, 2014 and 2013

Utah Microenterprise Loan Fund

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Independent Auditor's Report

The Board of Directors
Utah Microenterprise Loan Fund
Salt Lake City, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Utah Microenterprise Loan Fund (a nonprofit organization) which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Utah Microenterprise Loan Fund as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Salt Lake City, Utah
January 21, 2015

	2014	2013
Assets		
Cash and cash equivalents	$ 1,517,801	$ 1,395,740
Certificates of deposit (includes loan pool restrictions of $1,149,977 and $1,014,295 in 2014 and 2013, respectively)	1,961,271	2,211,927
Grants receivable	219,035	21,172
Other receivables	6,744	5,079
Loans receivable, net of allowance for loan losses of $427,475 and $525,947 in 2014 and 2013, respectively	1,387,133	1,545,987
Property and equipment, net	391,215	406,878
Other	6,661	5,555
Total assets	$ 5,489,860	$ 5,592,338
Liabilities and Net Assets		
Accounts payable	$ 26,739	$ 19,090
Accrued liabilities	31,739	41,740
Deferred loan origination fee revenue	87,554	95,176
Undisbursed loan proceeds	64,431	49,280
Notes payable	520,000	550,000
Bank line-of-credit	600,000	600,000
Long-term debt - revolving loan fund	1,433,653	1,512,313
Total liabilities	2,764,116	2,867,599
Net Assets		
Unrestricted	1,606,628	1,397,103
Unrestricted - board designated	44,290	200,000
Temporarily restricted	1,074,826	1,127,636
Total net assets	2,725,744	2,724,739
Total liabilities and net assets	$ 5,489,860	$ 5,592,338

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	$ 166,000	$ 30,000	$ 196,000
Grants and fees	111,853	-	111,853
Interest	171,166	-	171,166
Fees	7,810	-	7,810
Other	21,260	-	21,260
Net assets released from restrictions			
Satisfaction of program restrictions	82,810	(82,810)	-
Total support and revenue	560,899	(52,810)	508,089
Expenses			
Program expenses	353,967	-	353,967
Management and general	138,480	-	138,480
Fundraising	14,637	-	14,637
Total expenses	507,084	-	507,084
Change in Net Assets	53,815	(52,810)	1,005
Net Assets, Beginning of Year	1,597,103	1,127,636	2,724,739
Net Assets, End of Year	$ 1,650,918	$ 1,074,826	$ 2,725,744

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	$ 227,797	$ 44,400	$ 272,197
Grants and fees	112,000	-	112,000
Interest	196,214	-	196,214
Fees	8,815	-	8,815
Other	17,386	-	17,386
Net assets released from restrictions			
Satisfaction of program restrictions	208,910	(208,910)	-
Total support and revenue	771,122	(164,510)	606,612
Expenses			
Program expenses	417,284	-	417,284
Management and general	146,284	-	146,284
Fundraising	16,614	-	16,614
Total expenses	580,182	-	580,182
Change in Net Assets	190,940	(164,510)	26,430
Net Assets, Beginning of Year	1,406,163	1,292,146	2,698,309
Net Assets, End of Year	$ 1,597,103	$ 1,127,636	$ 2,724,739

	Program	Management and General	Fundraising	Total
Payroll and related costs	$ 169,325	$ 99,930	$ 8,327	$ 277,582
Borrower support, loan and collection costs	8,176	-	-	8,176
Marketing and public relations	12,387	-	3,097	15,484
Professional services	11,098	6,550	546	18,194
Interest expense - revolving loan fund	63,385	-	-	63,385
Interest expense - note payable	1,197	706	59	1,962
Repairs, maintenance and utilities	14,556	8,591	716	23,863
Depreciation	12,360	7,295	608	20,263
Loan losses	35,375	-	-	35,375
Insurance	1,597	942	79	2,618
Property taxes	1,937	1,143	95	3,175
General and administrative	22,574	13,323	1,110	37,007
Total	$ 353,967	$ 138,480	$ 14,637	$ 507,084

	Program	Management and General	Fundraising	Total
Payroll and related costs	$ 150,137	$ 107,241	$ 8,171	$ 265,549
Borrower support, loan and collection costs	4,515	-	-	4,515
Marketing and public relations	5,470	-	5,470	10,940
Professional services	8,919	6,371	485	15,775
Interest expense - revolving loan fund	62,533	-	-	62,533
Interest expense - note payable	1,247	891	68	2,206
Repairs, maintenance and utilities	9,747	6,962	530	17,239
Depreciation	9,534	6,810	519	16,863
Loan losses	139,970	-	-	139,970
Insurance	1,477	1,055	80	2,612
Property taxes	2,631	1,880	143	4,654
General and administrative	21,104	15,074	1,148	37,326
Total	$ 417,284	$ 146,284	$ 16,614	$ 580,182

	2014	2013
Cash Flows from Operating Activities		
Change in net assets	$ 1,005	$ 26,430
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	20,263	16,863
Loan losses	35,375	139,970
Fees earned on serviced loans	(5,680)	(5,000)
Changes in assets and liabilities		
Grants receivable	(197,863)	56,118
Other receivable	(1,665)	308
Other assets	(1,106)	92
Accounts payable	7,649	9,943
Accrued liabilities	(10,001)	360
Deferred loan fees	(7,622)	(5,770)
Undisbursed loan proceeds	16,831	(11,664)
Net Cash from (used for) Operating Activities	(142,814)	227,650
Cash Flows from Investing Activities		
Net decrease in certificates of deposit	250,656	630,210
Loans issued to borrowers	(1,046,525)	(904,364)
Collections on loans receivable	1,070,398	732,672
Purchase of property and equipment	(4,600)	(103,009)
Net Cash from Investing Activities	269,929	355,509
Cash Flows from (used for) Financing Activities		
Payments on notes payable	(30,000)	-
Increase in bank line-of-credit	-	100,000
Proceeds from long-term debt - revolving loan fund	18,242	108,664
Recoveries allocated to general loan pool	18,827	44,014
Payments on long-term debt - revolving loan fund	(12,123)	(10,556)
Net Cash from (used for) Financing Activities	(5,054)	242,122
Net Change in Cash and Cash Equivalents	122,061	825,281
Cash and Cash Equivalents, Beginning of Year	1,395,740	570,459
Cash and Cash Equivalents, End of Year	$ 1,517,801	$ 1,395,740

	2014	2013
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 65,731	$ 63,552
Non-cash Financing Activities		
Allocation of loan losses to general loan pool	$ 99,606	$ 118,790

Note 1 - Summary of Significant Accounting Policies

Organization

Utah Microenterprise Loan Fund (the Fund) is a Utah nonprofit corporation which was established for the purpose of creating and managing a loan fund. The mission of the Fund is to provide financing and management support to entrepreneurs in start-up and existing firms that do not have access to traditional sources of capital; especially those who are socially and economically disadvantaged.

Cash and Cash Equivalents

The Fund considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash is not considered a cash equivalent.

Certificates of Deposit

At September 30, 2014 and 2013, certificates of deposit not considered cash or cash equivalents totaled $1,961,271 and $2,211,927, respectively. Of this amount, $1,149,977 and $1,014,295 are restricted for loan pool restrictions at September 30, 2014 and 2013, as discussed in Note 2. The Fund has identified this class of investment as low-risk. Certificates of deposit are purchased by the Fund to help avoid cash balances in excess of federal insurance limits.

Grants Receivable

Grants receivable represent amounts due from governmental agencies. These amounts are expected to be collected in the following year.

Loans Receivable

Loans receivable are stated at the unpaid principal amount reduced by the allowance for loan losses. Interest on the loans is calculated using the simple interest method on daily balances of the gross principal amount outstanding. Interest rates range from 0.00% to 12.25% with monthly payment terms ranging from 2 to 6 years.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation of amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance or repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Fund reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2014 and 2013.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for repayment of certain debt.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Fund and/or the passage of time.

The Fund reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Fund.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute time to the Fund’s program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Fund records donated professional services at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred, and approximated $6,935 and $3,396 for the years ended September 30, 2014 and 2013, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Fund is organized as a nonprofit organization in accordance with the laws of the State of Utah and is exempt from federal income taxation under provisions of Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and have determined not to be a private foundation under Sections 509(a)(1) and (3). The Fund is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Fund has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Fund would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Fund manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Fund has not experienced losses in any of these accounts. Credit risk associated with grants receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the Fund's mission.

The Fund's loans receivable are made up of loans to small business owners who are unable to obtain funding through traditional sources. Therefore, the loans carry a greater risk than traditional receivables. The Fund's credit committee approves loans based on the applicant's business plan and other qualifications. Accordingly, the Fund's management and credit committee perform ongoing credit evaluations of its customers and maintain an allowance for possible loan losses which, when realized, have been within the range of management's expectations.

Allowance for Loan Losses

The allowance for loan losses is based on management's periodic evaluation of the loans receivable portfolio and reflects an amount that, in management's opinion, is adequate to absorb at least 20% of the loan losses in the traditional portfolio and loan losses related to the Salt Lake City Fund. When a loan receivable is written-off, 20% of that portion of the loan receivable that is funded from the traditional loan pool is charged against the allowance for loan losses and the remaining 80% is recorded as a reduction to notes payable as discussed in Note 7. The portion of loan losses related to loans receivable funded from the Vocational Rehab and People with Disabilities loan pools are fully absorbed by these loan pools.

Salt Lake City, together with the Fund, provides funding for qualified loans originating in Salt Lake City. Funding for these loans is split evenly between Salt Lake City grant funds and the traditional loan pool up to $20,000, with any loan funds from $20,000 to $25,000 also funded from Salt Lake City grant funds. As the funds received from Salt Lake City are recorded as temporarily restricted net assets (Note 8), the Fund absorbs 100% of the losses on the Salt Lake City portion of these loans. The allowance for loan losses provides for the additional loss exposure on these loans. Losses on the portion of these loans funded by the traditional pool are treated the same as all other losses in the traditional pool, as described above.

Salt Lake County provides Community Development Block Grant (CDBG) funding for certain qualified loans originating in Salt Lake County, as discussed in Note 9. Effective with the July 1, 2007 grant agreement between the Fund and Salt Lake County, all loans issued with funds from Salt Lake County are treated as serviced loans by the Fund.

Additional funding through a bank line-of-credit and note payable is provided for traditional loans, as discussed in Notes 6 and 7, with the Fund bearing 100% of the losses on these loans.

In evaluating the portfolio, management considers a number of factors, including prior loan loss experience and current economic conditions. Management believes that the allowance for loan loss is adequate.

The activity in the allowance for loan losses for the years ended September 30, 2014 and 2013 is as follows:

	2014	2013
Beginning balance	$ 525,947	$ 529,922
Loan losses	35,375	139,970
Less loan receivable charge-offs	(131,350)	(141,569)
Less other adjustments	(2,497)	(2,376)
	$ 427,475	$ 525,947

Loans Receivable Charge-Offs

Loans are charged off based on management's ongoing review of delinquent accounts and related payment history. Loans are reviewed on a case by case basis to determine the likelihood of collectability of delinquent accounts. Management then provides recommendations to the Board of Directors for final approval of all loans charged off. During the years ended September 30, 2014 and 2013, the Board of Directors approved charge offs allocated as follows:

	2014	2013
The Fund	$ 131,350	$ 141,569
Traditional loan pool	99,606	118,790
CDBG	31,376	45,059
	$ 262,332	$ 305,418

Interest Revenue on Delinquent Loans Receivable

The Fund does not accrue interest revenue on delinquent loans receivable.

Loan Origination Fees

The Fund typically charges its borrowers an origination fee of 1% of the loan balance for each year in the term of the loan. Origination fees are amortized and recorded as revenue over the life of the loans.

Subsequent Events

Management has evaluated subsequent events through January 21, 2015, the date on which the financial statements were available to be issued.

Note 2 - Loan Pool Restrictions

The Fund maintains cash and cash equivalents, government securities, money market mutual funds, and certificates of deposit in order to comply with loan covenants and grant agreements. These covenants and agreements require that the Fund maintain cash on deposit of at least 20% of the outstanding traditional loans receivable balance, and to use loan pool and grant proceeds only to issue new loans to the Fund's customers. The Fund has cash restrictions as follows:

	2014	2013
Loan loss reserve	$ 167,126	$ 190,065
Loan pool	982,851	824,230
	$ 1,149,977	$ 1,014,295

Note 3 - Loans Receivable

Loans receivable consist of loans made to individuals in the normal course of business. These loans range from $2,100 to $25,000. Loans are due over two to six years, interest ranging from 0.00% to 12.25%. During the years ended September 30, 2014 and 2013 the Fund issued 38 and 41 new loans, representing $597,950 and $862,038 in loan proceeds, respectively.

At September 30, 2014 and 2013, the Fund is acting as the loan servicer for loans receivable totaling $532,103 and $526,225.

Loans serviced for Salt Lake County total $458,285 and $439,956 at September 30, 2014 and 2013, respectively. Besides the loan origination function, the Fund's duties with respect to these loans receivable are limited to collection services for a fee. The Fund does not bear any economic risk of loss for these loans and is not the legal owner. Accordingly, the Fund has not recorded these loans in the accompanying financial statements. During the years ended September 30, 2014 and 2013, the Fund received $86,329 and $100,000 from Salt Lake County for loan origination and other loan services as also discussed in Note 9. The amount received by the Fund from Salt Lake County is subject to change each year.

During the year ended September 30, 2009, the Fund entered into an agreement with the Bear River Association of Governments (BRAG) to service loans in the Grouse Creek area in the State of Utah. These loans total $73,818 and $86,269 at September 30, 2014 and 2013, respectively. The Fund's duties with respect to these loans receivable are limited to collection and loan disbursement services for a fee. The Fund does not bear any economic risk of loss for these loans and is not the legal owner. Accordingly, the Fund has not recorded these loans in the accompanying financial statements.

The Fund also holds funds to be used for BRAG loans totaling $64,431 and $49,280, which at September 30, 2014 and 2013 had not yet been disbursed to borrowers, and accordingly are included in restricted cash at September 30, 2014 and 2013.

Note 4 - Property and Equipment

Property and equipment consists of the following:

	2014	2013
Land	$ 148,216	$ 148,216
Building	374,114	374,114
Furnishings and equipment	87,160	82,560
	609,490	604,890
Less accumulated depreciation	(218,275)	(198,012)
	$ 391,215	$ 406,878

Note 5 - Bank Line-of-Credit

The Fund has a bank line-of-credit agreement that provides up to $1,000,000 in loan pool funds to be issued to borrowers as described in Note 3. The outstanding payable at September 30, 2014 and 2013 is $600,000. The bank line-of-credit bears interest at 4% with quarterly interest only payments required until January 2017, at which time any undisbursed line-of-credit proceeds are immediately due, with the remainder of the line-of-credit amount due as payments are collected on loans receivable. The bank line-of-credit is secured by loans made with line-of-credit borrowings and a certificate of deposit totaling $126,641 and $125,148 at September 30, 2014 and 2013, respectively.

Note 6 - Notes Payable

Notes payable consists of the following:

	2014	2013
The Fund has a note payable to finance the purchase of a building used to house its operations. The note bears interest at 2% with quarterly principal payments of $10,000 plus interest, due through March 2019.	$ 170,000	$ 200,000
The Fund has a note payable which was used to increase its loan pool. The note bears interest at 2% with quarterly interest only payments required until March 2022, at which time the entire note payable is due. Prior to the maturity date, the note term can be extended by two years at the option of the Fund. All loan losses as a result of loans receivable written-off in connection with this note payable are charged to the allowance for loan losses.	350,000	350,000
	$ 520,000	$ 550,000

Future maturities are payable as follows:

Year Ending September 30,	
2015	$ 40,000
2016	40,000
2017	40,000
2018	40,000
2019	10,000
Thereafter	350,000
	$ 520,000

Note 7 - Long-Term Debt - Revolving Loan Fund

The Fund obtains financing through a number of financial institutions. The notes associated with this financing do not have fixed expiration dates and may only be called during the month of September each year. The notes require payment of interest quarterly on the adjusted loan balances. Interest accrues at 6%, or the discount window rate in effect on the first day of the calendar quarter plus 50 basis points, whichever is less. Average interest rates for the years ended September 30, 2014 and 2013 were 2.24% and 2.23%, respectively. In the event that a note is called by one of the participating financial institutions, any undisbursed loan proceeds are immediately due to the financial institution which called the loan, and the remainder of the note amount is due to the financial institution as payments are collected on loans receivable.

Two lenders have requested that their notes be redeemed. At September 30, 2014 and 2013, approximately $160,000 and $175,000, respectively, is still owed to these lenders and the amount owing is being repaid as the loans receivable related to these borrowings are collected.

Under the revolving loan fund agreement, when a loan receivable is written-off by the Fund, that portion of the note payable funded by revolving loan funds is reduced pro rata by 80% of the loan receivable being written off. The remaining 20% of the revolving loan funds balance in the note payable is charged against the allowance for loan losses.

Note 8 - Net Assets

Net assets consist of the following at September 30, 2014 and 2013:

	2014	2013
Unrestricted net assets		
Undesignated	$ 1,606,628	$ 1,397,103
Board designated	44,290	200,000
	1,650,918	1,597,103
Temporarily restricted net assets		
Loan loss reserve	78,581	73,581
Borrower support	3,846	7,829
CDFI grant - capacity building	31,863	42,315
CDFI grant – loan loss reserve	619,629	619,343
Salt Lake City - revolving loan fund	340,907	384,568
	1,074,826	1,127,636
	$ 2,725,744	$ 2,724,739

Note 9 - Community Development Block Grants

Historically, the Fund has been allocated “Community Development Block Grants” from Salt Lake County (the County). When a loan is extended to an individual under the Salt Lake County Grant, the Fund requests reimbursement from the County. Under the terms of the grant agreement, the Fund acts only as an originator and servicer of loans issued with funds from the grant. Collections of interest income and principal from borrowers are required to be remitted back to the County for any new loans issued as well as loans existing at July 1, 2007 that had been issued under the terms of previous grant agreements. In connection with the grant terms, the Fund is paid administrative fees. The Fund recorded fee revenue of $86,329 and $100,000 for the years ended September 30, 2014 and 2013. At September 30, 2014 and 2013, receivables for administrative fees totaled $61,329 and $25,000, respectively.

At September 30, 2014 and 2013, the Fund serviced loans totaling $458,285 and $439,956 on behalf of the County. At September 30, 2014 the Fund had requested reimbursement from the County for loans totaling $157,706, net of loan payments collected and to be remitted to the County. At September 30, 2013 the Fund has collected loan payments to be remitted to the County totaling $3,828, net of reimbursements from the County for loans.

Note 10 - Joint Costs of Activities that Include a Fund-Raising Appeal

During the years ended September 30, 2014 and 2013, the Organization incurred joint costs of $15,484 and $10,940 for advertising and other marketing expenses. Of those costs, $3,097 and $5,470 was allocated to fund-raising expense and $12,387 and $5,470 was allocated to program expense during the years ended September 30, 2014 and 2013, respectively.

Note 11 - Related Party Transactions

Certain members of the Fund's Board of Directors are employed by lenders who have provided loans to the Fund, including the loan for the building more fully described in Note 6.