



Extraordinary things happen  
when you have great partners,  
and **2016** was a remarkable year.

**NATIONAL EQUITY FUND, INC. AND SUBSIDIARIES**

**Special Purpose Consolidated Statements of Financial Position**

**December 31, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	\$ 48,767,838	\$ 39,785,112
Restricted Cash	3,738,481	4,842,347
Notes and Other Receivables, Net	4,121,682	7,771,186
Notes and Other Receivables from Affiliates, Net	8,456,886	12,804,529
Due from Funds, Net	8,832,381	3,916,310
Temporary Investments in Project Partnerships, Net	162,024,919	69,302,383
Other Assets, Net	2,642,732	2,064,161
Assets Held for Sale	-	2,748,543
Furniture, Equipment, Leasehold Improvements and Software	7,132,747	6,689,547
Less: Accumulated Depreciation and Amortization	<u>(4,155,825)</u>	<u>(3,422,284)</u>
Total Assets	<u>\$ 241,561,841</u>	<u>\$ 146,501,834</u>
 <u>Liabilities and Net Assets</u>		
Accounts Payable and Accrued Expenses	\$ 15,683,645	\$ 15,893,701
Payable Related to Assets Held for Sale	-	168,543
Due to Affiliates	141,858	108,436
Service Fee Payable	95,000	275,000
Grant Payable to Parent	1,600,000	1,400,000
Notes Payable	16,108,530	174,943
Capital Contributions Due to Temporary Investments in Project Partnerships	139,903,798	62,058,875
Deferred Revenue	<u>5,309,970</u>	<u>5,350,592</u>
Total Liabilities	178,842,801	85,430,090
 Commitments and Contingencies		
Total Net Assets - Unrestricted	62,709,045	60,020,029
Total Net Assets - Temporarily Restricted	9,995	1,051,715
Total Net Assets	<u>62,719,040</u>	<u>61,071,744</u>
Total Liabilities and Net Assets	<u>\$ 241,561,841</u>	<u>\$ 146,501,834</u>

\*Note that these financial statements account for NEF, Inc.'s general partner or managing member interests in limited partnerships and limited liability companies using the equity method of accounting rather than the consolidation method as required by GAAP for certain entities. In addition, the recording of pass-through income or losses from investments in limited partnerships or limited liability companies and their investees in which NEF or its affiliates has general partnership or managing member interests is limited to NEF's or its affiliate's percentage interest in the limited partnerships or limited liability companies and their investees. In certain circumstances, GAAP requires that general partners and managing members record losses in excess of percentage interests when other partners have limited liability ownership interests, have exhausted their investment basis, and it is probable that one or more of the investors cannot bear their share of losses.

GAAP financial statements are available by contacting Alex Denja, CFO at [adenja@nefinc.org](mailto:adenja@nefinc.org).

NATIONAL EQUITY FUND, INC. AND SUBSIDIARIES

Special Purpose Consolidated Statements of Activities and Changes in Net Assets

Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b><u>Revenues</u></b>		
Syndication Fee Income, Net	\$ 29,561,406	\$ 27,824,686
Asset Management Fee Income	16,607,107	14,949,786
Recovery of Loan Losses	232,982	-
Interest Income	203,698	260,191
New Markets Support Company Cost Reimbursement	3,949,662	3,415,707
Miscellaneous Income	1,886,281	1,699,373
Total Revenues	<u>52,441,136</u>	<u>48,149,743</u>
<b><u>Expenses</u></b>		
Personnel	25,030,647	24,619,979
Professional Services	4,069,234	3,616,194
Office and Administrative	5,975,650	5,096,797
Legal	777,492	996,966
New Markets Support Company Reimbursable Costs	3,949,662	3,415,707
Service Fees	265,000	695,000
Sponsor Grants	180,000	169,000
Provision for Loss on Temporary Investments in Project Partnerships	1,507,098	-
Provision for Loss on Receivables	397,146	379,144
Depreciation and Amortization	800,117	619,190
Total Expenses	<u>42,952,046</u>	<u>39,607,977</u>
Gain on Settlement of Bond	-	2,235,273
Change in Net Assets Before Other Activity	9,489,090	10,777,039
Equity in Losses of Temporary Investments in Project Partnerships	241,794	-
Grant to Parent	7,600,000	7,400,000
Change in Net Assets	<u>1,647,296</u>	<u>3,377,039</u>
Net Assets - Unrestricted, December 31, 2015 and 2014	60,020,029	56,667,364
Net Assets - Temporarily Restricted, December 31, 2015 and 2014	1,051,715	1,027,341
Net Assets, December 31, 2016 and 2015	<u>\$ 62,719,040</u>	<u>\$ 61,071,744</u>

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