Capital at the point of impact.

PROSPECTUS

INFORMATION ON PROMISSORY NOTES

$5,000,000

$1,000 to $10,000 Promissory Notes	$10,000 or greater Promissory Notes
2.25% with a three to four year term	2.25% with a three to four year term
2.75% with a five to six year term	2.75% with a five to six year term
3.25% with a seven to nine year term	3.50% with a seven to nine year term
3.75% with a ten to fourteen year term	4.00 % with a ten to fourteen year term
4.25% with a fifteen to thirty year term	4.50% with a fifteen to thirty year term

ANY INVESTOR MAY ELECT TO EARN LESS THAN THE MAXIMUM RATES POSTED ABOVE.
Promissory Notes may be issued in increments other than the values posted above.
The Promissory Notes are subject to automatic reinvestment if an investor fails to elect to have the principal amount of its Promissory Note repaid at maturity. See "Description of the Promissory Notes."

This Prospectus contains essential information about The Reinvestment Fund, Inc. (the "Fund") and the Promissory Notes it is issuing. Prospective investors are advised to read this Prospectus carefully prior to making any decisions to invest in the Promissory Notes.

The Fund is a non-profit corporation and has received a determination letter from the Internal Revenue Service granting it tax exempt status as a charitable organization under Section 501(c)(3) of the Internal Revenue Code.

The offer and sale of these securities has not been registered with the Securities and Exchange Commission in reliance upon the exemption from registration contained in Section 3(a)(4) of the Securities Act of 1933, as amended.

No state securities commission, or other regulatory authority, has approved or disapproved of the securities hereby offered, or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Promissory Notes are not insured by the FDIC, SIPC or any other government agency.

Investing in the Promissory Notes involves risks. See "Risk Factors" on pages 3-6 of this Prospectus for some of the risks regarding an investment in the Promissory Notes. Pennsylvania residents have a two-day right of withdrawal. See "Withdrawal Rights" on page 22.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any security other than the securities offered hereby, nor does it constitute an offer to sell or a solicitation of an offer to buy such securities by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so.

Neither the delivery of this Prospectus nor any sale made hereunder shall create, under any circumstance, any implication that there has not been any change in the affairs of the Fund and other information contained herein since the date hereof.

Prospective investors should not construe the contents of this Prospectus or any prior or subsequent communications from or with the Fund as legal or professional tax advice. The offeree receiving this Prospectus should consult its own counsel, accountant or business advisor, respectively, as to legal, tax and other matters concerning the purchase of the Promissory Notes.

The Fund will make available to any prospective investor, prior to their purchase of any Promissory Note the opportunity to ask questions of and to receive answers from representatives of the Fund concerning the Fund and the terms and conditions of the offering hereunder and to obtain any additional relevant information to the extent the Fund possesses such information or can obtain it without unreasonable effort or expense. Except for such information that is provided by the Fund in response to requests from prospective investors or their advisors, no person has been authorized in connection with the offer or sale of the Promissory Notes to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon.

The date of this Prospectus is February 17, 2010

TABLE OF CONTENTS

Page

SUMMARY....1
THE REINVESTMENT FUND, INC....2
RISK FACTORS....3
DESCRIPTION OF THE PROMISSORY NOTES....7
FORWARD-LOOKING STATEMENTS....8
USE OF PROCEEDS....8
CAPITALIZATION....9
LENDING FACTORS AND PROCEDURES....10
MANAGEMENT OF THE FUND....10
FUND AFFILIATES....14
SUMMARY OF CONSOLIDATED CHANGE IN TOTAL NET ASSETS....19
SCHEDULE OF NOTES OUTSTANDING....19
SCHEDULE OF LOANS RECEIVABLE....19
LOAN LOSS RESERVES....20
LIQUIDITY RESERVES....20
COMPENSATION....20
TAX CONSIDERATIONS....21
PENDING LEGAL PROCEEDINGS....22
LEGAL OPINION....22
INDEPENDENT AUDITORS....22
MEETING OF THE BOARD DIRECTORS....22
ANNUAL REPORTS....22
WITHDRAWAL RIGHTS....23
METHOD OF OFFERING....23
DISCLOSURE OF COMMISSION POSITION....23

EXHIBIT A - SAMPLE LOAN AGREEMENT WITH INVESTOR
EXHIBIT B - SAMPLE PROMISSORY NOTE
EXHIBIT C - TRF CORPORATE STRUCTURE
EXHIBIT D - FINANCIAL STATEMENTS
EXHIBIT E - TRF PRIVATE EQUITY HOLDING STRUCTURE
EXHIBIT F - TRF NMTC HOLDING STRUCTURE
EXHIBIT G - TRF DEVELOPMENT PARTNERS HOLDING STRUCTURE

* * *

ADDITIONAL INFORMATION AVAILABLE

A registration statement with respect to the Promissory Notes being offered has been filed with the Pennsylvania Securities Commission. The registration statement contains exhibits which are only summarized or referred to in this Prospectus. These additional materials are available for inspection at the office of the Pennsylvania Securities Commission, East Gate Office Building, 2nd Floor, 1010 North Seventh Street, Harrisburg, Pennsylvania 17102-1410 office hours Monday through Friday 8:30 a.m. – 5:00 p.m. telephone 717-787-8061 or at the Fund's office at 718 Arch Street, Suite 300 North, Philadelphia, Pennsylvania 19106, during regular business hours.

SUMMARY

This summary does not contain all of the information you should consider before investing in the Promissory Notes. You should carefully read this Prospectus in its entirety, especially the "Risk Factors" section and the Fund's consolidated financial statements and the related notes and supplementary information included with this Prospectus, before deciding to invest in the Promissory Notes.

The Fund. The Fund is a non-profit corporation organized for charitable and educational purposes. The Fund seeks to raise funds through the issuance of Promissory Notes, representing loans from investors. See the section "The Reinvestment Fund, Inc." for a description of the Fund. See "Summary of Consolidated Change in Total Net Assets" for a summary of the consolidated change in net assets for the fiscal years ended June 30, 2009, 2008, 2007, 2006 and 2005.

Use of Proceeds. The Fund expects that approximately $2,500,000 of the $5,000,000 of Promissory Notes offered pursuant to this Prospectus will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, the Fund only expects to receive up to $2,500,000 in new cash proceeds from the sale of the Promissory Notes. The Fund intends to use the proceeds from the issuance of the Promissory Notes to make loans to and/or equity investments in organizations and businesses working to alleviate poverty and build wealth as well as create economic opportunity for low wealth communities and low- and moderate-income individuals in Pennsylvania, New Jersey, Delaware, Maryland, and Washington, D.C. Borrowers/investees will be active in areas such as housing, community facilities, commercial real estate, small businesses, sustainable energy, land development, education, and workforce development. Proceeds may also be used to enable the Fund to make loans to or provide guarantees on behalf of its affiliates. See "Fund Affiliates" and "Use of Proceeds."

Management of the Fund. A Board of Directors supervises the Fund. The Board of Directors meets at least three times per year and currently consists of 14 members. The Fund is administered by Jeremy Nowak, the Chief Executive Officer and President of the Fund, and certain other staff. See "Management of the Fund."

Description of the Promissory Notes. Each Investor will receive a Promissory Note as evidence that the named Investor has made a loan of a specific amount to the Fund. Interest on the loan shall be due and payable annually on the date specified on the Promissory Note. Unless an Investor elects to receive payment in full of the principal amount of its Promissory Note at maturity, the entire amount of the loan shall be renewed for the same duration as the original loan and the renewed loan shall be on the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Fund is then selling. The Promissory Notes are unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including additional secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's financial condition. There is no market for the Promissory Notes, and it is highly unlikely that a market will develop. Therefore, investors in the Promissory Notes should realize that these investments will be very illiquid. See "Description of the Promissory Notes."

THE REINVESTMENT FUND, INC.

The Fund's mission is to build wealth and economic opportunity for low-wealth communities and low- and moderate-income individuals through the promotion of socially and environmentally responsible development. In pursuit of its mission, TRF finances housing, community facilities, charter schools, commercial real estate, business development and sustainable energy projects using loan, equity and other financing tools. It supports its financing with a strong research and policy analysis capacity that has become a highly regarded source of unbiased information for public officials and private investors. Most of TRF's financing programs extend throughout the mid-Atlantic region. Nationally, TRF's public policy expertise helps clients create actionable solutions and TRF's online data and mapping tool, PolicyMap.com, provides a platform for sharing data and analysis.

The Fund is a separate legal entity, formed as a Pennsylvania non-profit corporation on February 4, 1985. It is organized as a non-profit corporation for exclusively charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Fund is managed by a Board of Directors. See "Management of the Fund."

Loans to the Fund. The capital of the Fund is derived, in part, from monies received from loans evidenced by the issuance of promissory notes. The rates and terms of the Promissory Notes currently being offered are set forth on the cover page of this Prospectus. The Board of Directors reviews these rates and terms annually and may issue promissory notes in the future containing different rates and terms.

Each Investor and the Fund will enter into a loan agreement in substantially the form of Exhibit A. The Fund will issue a Promissory Note to the Investor in substantially the form of Exhibit B, and the Investor will remit a check payable to "The Reinvestment Fund, Inc".

Loan proceeds not immediately disbursed by the Fund, or maintained for liquidity or reserves, are managed by professional investment advisors (primarily, Wilmington Trust Company). The investment advisors, in accordance with the Fund's investment policy, invest such proceeds in investment grade debt securities, primarily obligations issued by the U.S. government or its agencies, overnight repurchase agreements collateralized by direct obligations of the U.S. government, prime commercial paper rated A1/P1 or better, or corporate debt obligations rated AAA/Aaa or AA/Aa. The investment advisors make all investment decisions based on certain investment objectives and policies approved by the Fund's Board of Directors.

Fund loans to and investments in organizations and businesses. The Fund's principal focus is lending funds to and investing funds in organizations and businesses working to build wealth and create economic opportunity for low- and moderate-income people and places. The Fund's service area includes Pennsylvania, New Jersey, Delaware, Maryland, and Washington, D.C. The Fund's staff screens loan and investment applications from prospective borrowers/investees, including both non-profit and for-profit organizations. The Board of Directors has authorized specific lending staff, based on experience and expertise, to approve transactions within specific guidelines set by the Board, with loan committees of the Board of Directors approving or disapproving all other proposed loans and investments.

The Fund expects to make both long and short-term loans. Interest rates will vary, depending on conditions set by lenders to the Fund, the priorities of the Fund, the type of loan, prevailing market conditions, and the risk associated with the loan. Loans will not be made when it is clear to the Fund that the applicant would be unable to repay a loan, or does not meet the Fund's underwriting standards. In addition, the Fund has the discretion to determine what collateral, if any, is appropriate. The Fund, at its discretion, imposes terms that protect its investment and provide security for repayment.

Operational Expenses. The Fund has historically earned more from its loans placed and investments than has been required to repay on its borrowings and has used such excess earnings to, among other things, help fund its operating expenses. The remaining amounts needed to fund its operating budget have historically been, and are expected in the near future to be, provided by foundation and corporate grants, individual donations, loan fees, asset management fees, and consulting fees.

Corporate Structure. The corporate structure of the Fund is designed to provide the Fund with the ability to diversify the types of projects in which it makes loans and investments, and to maximize the amount of such loans and investments. An organizational chart of the Fund's corporate structure is attached as Exhibit C. See "Fund Affiliates."

RISK FACTORS

ANY INVESTMENT IN THE PROMISSORY NOTES INVOLVES A NUMBER OF SIGNIFICANT RISKS, AND IS SUITABLE ONLY FOR PERSONS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT AND WHO REALIZE THAT THERE IS A SIGNIFICANT RISK OF LOSS OF THEIR ENTIRE INVESTMENT. A PROSPECTIVE INVESTOR SHOULD CONSIDER THE RISKS AND UNCERTAINTIES DESCRIBED BELOW AND ALL OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE INVESTING IN THE PROMISSORY NOTES.

1. Economic Environment. Our business and our ability to repay the Promissory Notes may be adversely affected by the current economic environment. During economic slowdowns or recessions there is a greater likelihood that more of the Fund's customers or counterparties will be unable to repay their obligations at stated terms and maturities and could require us to extend the payment period of our borrowers' loans. Additionally, our customers could become delinquent on their loans or other obligations to the Fund, which, in turn, could result in a higher level of charge-offs and provision for credit losses, all of which would adversely affect the Funds income and ability to repay the Promissory Notes. Furthermore, a poor economic environment may also make it more difficult for the Fund to maintain its new loan and lease origination volume and the credit quality of such loans and leases and investments at levels previously attained which could also result in a higher level of charge-offs and provision for credit losses.

2. Credit Market. The Fund is and will continue to be dependent upon the availability of credit from financing sources in order to conduct its business and to satisfy its working capital needs. Current conditions in the credit market have increased the cost and significantly reduced the availability of credit from financing sources, which may continue or worsen in the future. As a result, the Fund may be unable to obtain additional financing on acceptable terms or at all. If the Fund is unable to obtain additional financing or if any of the Fund's current credit facilities become unavailable on acceptable terms or at all, the Fund may not have access to the funds it requires to pay its debts as they come due or to continue to make new loans, leases and investments, which would limit the Fund's ability to generate income. Similarly, if necessary financing becomes unavailable on acceptable terms, or at all, to the Fund's borrowers and other counterparties, such parties may be unable to repay their loans and satisfy their other obligations to the Fund as they come due, which could adversely affect the Fund's ability to repay the Promissory Notes.

3. Non Compliance Under Debt Agreements. The Fund has certain debt agreements that contain financial covenants requiring the Fund to maintain minimum cash and investment balances and certain financial ratios. As of June 30, 2009, the Fund was out of compliance with certain financial covenants contained in these debt agreements and received waivers from the affected lenders for the covenant violations. However, the affected lenders have reserved their rights to pursue, at any time while such non-compliance continues, remedies under the related debt agreements which includes calling the debt for immediate repayment. As of June 30, 2009, an aggregate of $18,900,000 of debt was outstanding under such debt agreements. If an affected lender pursues its remedies the Fund's ability to repay the Promissory Notes may be adversely affected.

4. Unsecured Nature of Promissory Notes; No Restrictive Covenants. The Promissory Notes will be unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including additional secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's financial condition. Principal repayments and

interest payments on the Promissory Notes, therefore, will be dependent solely upon the financial condition of the Fund, which will depend on its ability to obtain repayment of the loans and investments it makes. No reserve fund, sinking fund or trust indenture has been, nor will be, established to provide for repayment of the Promissory Notes.

5. Lack of Market. There is no market for the Promissory Notes, and it is highly unlikely that a market will develop. Therefore, investors in the Promissory Notes should realize that these investments will be very illiquid.

6. Rate of Return. Other issuers may offer notes or other debt securities with a higher rate of return and/or that provide greater security and less risk than the Promissory Notes. In addition, the Fund and its affiliates may, from time to time, offer other promissory notes or debt securities with a higher rate of return and/or that provide greater security and less risk than the Promissory Note.

7. Tax Treatment. The purchase of a Promissory Note is not a donation to a charitable organization and is not deductible. It is an investment. Interest paid or accrued on the Promissory Notes is income to each holder, and will be subject to tax, unless the holder is eligible for an exemption from federal tax with respect to such interest. Furthermore, a person who, during a given taxable year, holds over $250,000 in the aggregate in principal amount of Promissory Notes (or of Promissory Notes and other debt instruments issued by the Fund and by other charitable organizations that are effectively controlled by the same person or persons who control the Fund) may be considered to have received imputed interest income equal to forgone interest on the Promissory Notes and to have made a charitable contribution to the Fund of some or all of the forgone interest. Prospective holders of the promissory notes are advised to consult their own tax advisors regarding the federal, state, local, and foreign tax consequences of the purchase, ownership, and disposition of the promissory notes. See "Tax Considerations."

8. Viability of the Fund. The Fund began operations in 1985. As of June 30, 2009, the Fund and its affiliates had total consolidated assets of $234,176,677 and total net assets of $72,547,677. Total net assets include $8,289,137 of unrestricted net assets and $64,258,540 of net assets that are restricted as to use and are not available for principal repayments or interest payments on the Promissory Notes. Loans and notes payable due in fiscal 2010 total $41,626,020. In addition to reliance on its ability to obtain the repayment of loans and investments, the viability of the Fund may depend on its ability to obtain grants and contributions for the payment of operating expenses.

9. Grants and Contributions. The Revenue and Support portion of the Change in Net Assets of the Fund, reported in the "Summary of Consolidated Change in Total Net Assets" section, includes a substantial portion of grants and contributions. These grants and contributions are made for both special projects and for operating expenses. If grants and contributions earmarked for special projects are eliminated, there would be a corresponding reduction in expenses as such special projects would not be undertaken by the Fund. Grants and contributions for operating expenses are used to support lending, investing, technical assistance, and general operating programs. Without these grants and contributions for operating expenses, the change in net assets would have been ($244,169) in fiscal 2009, $3,952,973 in fiscal 2008, $552,214 in fiscal 2007, $16,605,084 in fiscal 2006, and ($975,920) in fiscal 2005. The change in net assets for fiscal, 2009 of $1,046,113 adjusted for unrestricted grants of $1,260,000 and unrestricted contributions of $30,282 received during the year resulted in adjusted change in net assets of, ($244,169). Without these grants for operating expenses, we would have to find other sources of capital to fund our operating expenses. Historically, the Fund has received significant support for both its operations and capital needs from the public sector including the U.S. Department of the Treasury, U.S. Department of Education, Pennsylvania Department of Community and Economic Development and various other federal, state, and local agencies. The Fund's ability to repay the Promissory Notes may be adversely affected if the amount of grants and contributions available to the Fund is diminished or the Fund is not successful at obtaining such grants and contributions.

10. Borrowers of the Fund. Financing provided by the Fund to others is funded in large part by the proceeds of the Promissory Notes. The Fund provides financing to borrowers whose organizations, businesses, and/or projects support and complement the mission of the Fund. In some situations, the Fund's borrowers may be unable to obtain financing from conventional commercial lenders, and the Fund may make loans to borrowers on

terms less stringent than those imposed by commercial lenders. The quality and performance of the loans made by the Fund may adversely impact the ability of the Fund to repay the Promissory Notes.

In addition, the Fund invests in ventures that are speculative and for which traditional market financing may not be available due to the higher risk profile of such ventures. Among the risks are business risks associated with investments in companies in early stages of development with little or no operating history, companies operating at a loss and companies that may need substantial additional capital to support their operations. Such ventures may not survive and be able to satisfy their obligations to the Fund which would negatively impact the ability of the Fund to repay the Promissory Notes.

11. Possible Conflicts of Interest. The Fund may be subject to conflicts of interest arising out of its relationship with and/or investments in its affiliates, including conflicts with respect to loans to and investments in such affiliates, shared administrative costs and other overhead. In addition, several members of the Fund's Board of Directors are, or are associated with, investors in the Fund and/or borrowers/investees of the Fund. The loans to and investments in such affiliates and other related parties may be on terms more favorable to the affiliate or related party than would otherwise be available to it in the market. The ability of the Fund to repay the Promissory Notes may be adversely impacted by the performance of these affiliates and related party investments and loans. See "Fund Affiliates."

12. Loans to Affiliates. The Fund makes loans to and investments in its affiliates which may be subordinate in collateral or repayment to senior obligations of the affiliates. From time to time, the Fund will also guarantee certain debt of its affiliates. The ability of the Fund to repay the Promissory Notes may be adversely impacted by the performance of these affiliate loans and investments.

13. Secured Debt. The Fund currently has secured credit facilities that allow for aggregate borrowings of up to $16,588,000 (balance of debt outstanding at June 30, 2009 was $16,588,000). The Fund's obligations under these credit facilities are secured by a security interest in certain of the Fund's assets including collateral pledged to the Fund to secure loans from the Fund to third parties. If the Fund becomes insolvent, the lenders under the credit facilities will be entitled to payment before the holders of the Promissory Notes and other unsecured creditors to the extent of the value of Fund's assets that are encumbered. The Fund may also incur other debt obligations that may be senior to the Promissory Notes in terms of collateral or repayment, through the sale, securitization, syndication or participation of the Fund's portfolio of loans and investments.

14. Concentration of Receivables Portfolio. When the Fund originates loans and leases, it incurs credit risk, or the risk of losses if its borrowers do not repay their loans. The Fund reserves for credit losses by establishing an allowance for credit losses. The amount of this allowance is based on the Fund's assessment of potential credit losses inherent in its receivables portfolio. This process, which is critical to the Fund's financial results and condition, requires difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of the Fund's borrowers to repay their loans. As is the case with any such assessments, there is always the chance that the Fund will fail to identify the proper factors or that it will fail to accurately estimate the impacts of factors that it identifies. If the Fund underestimates the credit losses inherent in its receivables portfolio, it will incur credit losses in excess of the amount reserved, which may adversely affect the Fund's ability to repay the Promissory Notes.

The Fund's receivables portfolio is due primarily from non-profit organizations, charter schools, housing developers, commercial real estate developers, and supermarket operators predominately in the greater Philadelphia metropolitan area. At June 30, 2009, the Fund's (and its affiliates') five largest borrowers constituted 25% of total loans outstanding, and its portfolio of housing and charter school loans constituted 30% and 23% of total loans outstanding, respectively. Also at June 30, 2009 portfolio concentration for commercial real estate was 21% and supermarket operators was 16%. As such, the ability of the Fund to collect its receivables is dependent upon the viability of the non-profit, charter school, real estate and food retailing sectors in this area and the Fund's ability to repay the Promissory Notes may be adversely affected by economic, business and political conditions that uniquely or disproportionately affect such sectors.

15. Automatic Rollover of Investment. Each Investor will receive notice from the Fund 30 days prior to the maturity date of its Promissory Note providing the Investor with the option to receive payment in full of the principal amount of its Promissory Note or to renew its investment at maturity. This notice will be accompanied by the Fund's Prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. If an Investor does not respond to the Fund's notice within 60 days after the Maturity Date and in the manner provided in the notice, the principal amount of the investor's Promissory Note will automatically be reinvested in a new Promissory Note of the same duration containing the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Fund is then selling under the Fund's Prospectus then in effect. The terms and conditions of any Promissory Note, including interest rate, issued through reinvestment may be less favorable to the investor than the terms and conditions of the Promissory Note originally purchased by the Investor.

16. Discretion to Make Loans and Investments. An investor will have no control over the types of loans and investments made by the Fund. In addition, an Investor will not be able to evaluate all of the specific loans and investments to be made by the Fund. The Board of Directors has authorized specific lending staff, based on experience and expertise, to approve transactions within specific guidelines set by the Board, with loan committees of the Board of Directors of the Fund approving or disapproving other proposed loans and investments. An Investor will not have input into such loan and investment decisions. These factors will increase the uncertainty, and thus the risk, of investing in the Promissory Notes.

The Fund's Loan Policies, which were most recently approved by the Fund's Board of Directors in January 2008, dictate staff lending authority. In accordance with the Loan Policies, staff lending authority is determined based on a percentage of the maximum allowable loan amount to a borrower of the Fund. Specifically, a Managing Director may approve a loan of up to 12.5% of the maximum allowable loan amount calculated as a function of net assets available to cover loan and lease losses. Adding the President of Lending and Investing, the limit increases to 25.0%. Adding the Loan Committee Chairperson, the limit is 50.0% of the maximum allowable loan amount. As of June 30, 2009, the maximum allowable loan amount to a borrower was $2,595,446 with resulting lending authorities of $324,431, $648,862, and $1,297,723 respectively. All loans in excess of $1,297,723 are approved by the full Loan Committee. For each of its meetings, the Loan Committee is provided with a listing of all loans approved outside of Committee. Exceptions to the maximum allowable loan amount are approved by the Fund's Board of Directors.

17. Investments in Private Equity Partnerships. The Fund has in the past and expects that it will continue to make investments in private equity partnerships. The investment portfolios of such private equity partnerships generally consist of high-risk investments in companies that have very little potential for liquidity in the near term and may provide below market returns. These private equity partnerships make investments in businesses with limited track records and uncertain futures that present a substantial risk of failure. This could result in the loss of all or a portion of these private equity partnerships' investments and in turn the loss of all or a portion of the Fund's investments in these private equity partnerships. There can be no assurance that the investments of these private equity partnerships will be successful.

18. Investments in Real Estate Development Activities. The Fund has made and expects to continue to make investments in the development of real estate. The value of the Fund's real property and the revenue from related development activities may be adversely affected by a number of factors, including:

- national and local economic climate;
- local real estate conditions (such as an oversupply of space or a reduction in demand for real estate in an area);
- attractiveness of the properties to prospective purchasers and tenants;
- competition from other available property or space;

- the Fund's ability to obtain adequate insurance;
- unexpected construction costs or delays;
- government regulations and changes in real estate, zoning, land use, environmental or tax laws;
- interest rate levels and the availability of financing; and
- potential liabilities under environmental and other laws.

At June 30, 2009, property held for development or sale totaled $6,778,961.

DESCRIPTION OF THE PROMISSORY NOTES

Each investor will receive a Promissory Note as evidence that the named investor has made an investment of a specific amount in the Fund. Interest on the loan shall be due and payable annually on the date specified on the Promissory Note. The Promissory Notes do not provide for redemption prior to the maturity date by the named investors nor do they allow the Fund to call the notes prior to maturity. Any such early redemption or call will require the mutual written consent of the Fund and the investor. Failure by the Fund to make required interest or principal payments on the Promissory Notes will be deemed an event of default under the Promissory Notes.

The Promissory Notes are unsecured obligations of the Fund and do not contain any restrictive covenants limiting the Fund's ability to make payments on other indebtedness, incur additional indebtedness (including additional secured indebtedness), make loans to or investments in its affiliates or otherwise limit the Fund's financial condition. There is no market for the Promissory Notes, and it is highly unlikely that a market will develop. Therefore, investors in the Promissory Notes should realize that these investments will be very illiquid.

A significant amount of our operations is conducted through our affiliates. Consequently, our ability to pay our obligations, including our obligation to pay principal or interest on the Promissory Notes and to pay the Promissory Notes at maturity may depend on our affiliates repaying investments and advances we have made to them, and on our affiliates' earnings and their distributing those earnings to us. The Promissory Notes will be effectively subordinated to all obligations (including trade payables) of our affiliates. Our affiliates are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Promissory Notes or to make funds available to us to do so. Our affiliates' ability to pay dividends or make other payments or advances to us will depend on their operating results and will be subject to applicable laws and contractual restrictions. The terms of the Promissory Notes do not limit our ability to make loans to or investments in our affiliates or our affiliates' ability to enter into other agreements that prohibit or restrict dividends or other payments or advances to us.

Investors in the Promissory Notes have the option to renew their investments at time of maturity. Unless an investor elects to receive payment in full of the principal amount of its Promissory Note at maturity, the principal amount of an investor's Promissory Note will be reinvested in a new Promissory Note of the same duration having the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Fund is then selling. Each investor will receive notice from the Fund at least 30 days prior to the maturity date of its Promissory Note providing the investor with the option to elect to receive payment in full of the principal amount of its Promissory Note or to renew its investment at maturity. This notice will be accompanied by the Fund's Prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. If an investor does not respond to the Fund's notice within 60 days after the Maturity Date in the manner provided in the notice, the principal amount of the investor's Promissory Note will automatically be reinvested in a new Promissory Note of the same duration containing the terms and conditions, including interest rate, set forth in the Prospectus that accompanies the notice.

See the Sample Loan Agreement with Lender attached as Exhibit A and the sample Promissory Note attached as Exhibit B. Interest rates on Promissory Notes will be consistent with the table on the cover page of this

Prospectus, and investors may elect either to receive annual interest payments or to reinvest interest payments with the Fund.

In addition to the Promissory Notes that are being offered by this Prospectus, the Fund also plans to offer promissory notes in principal amounts of a minimum of $100,000 to institutional investors. These institutional investors will include, but will not be restricted to, banks and other financial institutions, insurance companies and foundations, so long as such entities fall within the definition of an "institutional investor" under the Pennsylvania Securities Act of 1972, as amended. Interest rates and terms on such promissory notes are negotiable and may be more favorable than the Promissory Notes offered by this Prospectus, and all such promissory notes will be unsecured.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are subject to risks and uncertainties and that address, among other things, the ability of the Fund to repay the Promissory Notes, the use of proceeds from the sale of the Promissory Notes, the amount of Promissory Notes that will be deemed sold as a result of roll-overs or reinvestments, and the Fund's loan underwriting standards and procedures. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would" or the negative of these terms or other comparable terminology. The forward-looking statements are based on the Fund's beliefs, assumptions and expectations of the Fund's future performance, taking into account information currently available to the Fund. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Fund or are within the Fund's control. If a change occurs, the Fund's business, financial condition, liquidity and results of operations may vary materially from those expressed in the Fund's forward-looking statements. A potential investor should carefully consider these risks, along with the risks and information set forth elsewhere in this Prospectus, before making an investment decision with respect to the Promissory Notes.

USE OF PROCEEDS

As previously described, the fund intends to use the net proceeds from the offering for the purpose of making loans to and/or equity investments in organizations and businesses working to alleviate poverty, build wealth and create economic opportunity for low wealth communities and low-and moderate-income individuals in Pennsylvania, New Jersey, Delaware, Maryland, and Washington D.C.

The maximum size of this offering is $5,000,000 and offering expenses are estimated at $25,000. The Fund expects, based on historical experience, that approximately $2,500,000 of the $5,000,000 of Promissory Notes offered pursuant to this Prospectus will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, the Fund only expects to receive up to $2,500,000 in new cash proceeds from the sales of the Promissory Notes.

The proceeds of this offering will ordinarily not be earmarked for any specific loan or loans and substantially all of the proceeds will be used for loans or investments. If sufficient interest is earned on the proceeds, however, some of that interest (but not principal) will be used to offset expenses of the Fund and to fund a loan loss reserve.

Although we expect to use the proceeds from this offering to fund loans and investments to our end borrowers or investees, we may use proceeds from this offering to:

- make loans to an affiliate, TRF Enterprise Fund, Inc. ("TRF EFI"). The proceeds disbursed under these loans to TRF EFI will be immediately re-lent to urban-based small businesses.

- make loans to an affiliate, Collaborative Lending Initiative, Inc. ("CLI"), that will be subordinate in right of payment to CLI's indebtedness from conventional financial institutions. Pursuant to its financing agreements with its lenders, the Fund is limited to a maximum of $1,000,000 in loans to CLI at any time without the express written consent of the lenders. The Fund did not make any loans to CLI during fiscal 2009.

- make bridge loans to an affiliate, TRF Urban Growth Partners, L.P. ("UGP"), that will be subordinate in right of payment to UGP's indebtedness from conventional financial institutions and the interests of UGP's limited partners. The Fund is limited to a maximum of $2,000,000 in loans to UGP at any time without the prior approval of the Fund's Board of Directors. The Fund did not make any loans to UGP during fiscal 2009.

- make loans to an affiliate, TRF Development Partners, Inc. ("TRF Development Partners"). The Fund's Board of Directors has authorized up to $500,000 in loans to TRF Development Partners to finance predevelopment loans. The Fund is limited to a maximum of $500,000 in loans to TRF Development Partners at any time without prior approval of the Fund's Board of Directors.

- make loans to an affiliate, TRF Development Partners - Chester, LLC. The Fund's Board of Directors has committed $1,000,000 to TRF Development Partners - Chester, LLC for purchase of subscription notes. During fiscal 2009 the Fund purchased subscription notes totaling $333,333, leaving a balance of $666,666.

- make loans to affiliates on terms more favorable to the affiliate than would otherwise be available to such affiliate from an unrelated party.

CAPITALIZATION

The following table shows the consolidated capitalization of the Fund as of June 30, 2009 and adjusts this capital by the amount intended to be raised from this offering. The table should be read in conjunction with the Fund's consolidated financial statements for the years ended June 30, 2009 and 2008 and the related notes and supplementary information thereto attached as Exhibit D to this Prospectus.

	June 30, 2009		
	Actual	Pro Forma	
Current and noncurrent loans payable	$149,711,602	$147,211,602	*
Anticipated sales of new notes	-	5,000,000	
Net current and noncurrent loans payable	149,711,602	152,211,602	
Net Assets:			
Unrestricted net assets	18,467,825	18,467,825	
Temporarily restricted net assets	26,309,452	26,309,452	
Permanently restricted net assets	27,770,400	27,770,400	
Total Net Assets	72,547,677	72,547,677	
Total Capitalization	$222,259,279	$224,759,279	**

* Based on historical experience, of the total $5,000,000 of Promissory Notes offered, approximately $2,500,000 will be deemed sold by virtue of roll-overs or reinvestments of existing Promissory Notes or will remain unsold. Therefore, it is expected that only approximately $2,500,000 of the total offered will be sold as new sales of Promissory Notes providing new cash.

** Represents the sum of net current and noncurrent loans payable (including sale of new Promissory Notes), total unrestricted, temporarily restricted and permanently restricted net assets.

The above pro forma table was created as if funds from the offering occurred at one time as of June 30, 2009.

LENDING FACTORS AND PROCEDURES

To qualify for a loan from the Fund, the applicant's project or overall mission must be consistent with the principles and purpose of the Fund, demonstrate an ability and willingness to meet the terms of the loan, including such requirements for technical assistance as may be imposed by the Fund, demonstrate potential for building wealth and creating economic opportunity for low wealth communities and low-and moderate-income individuals, and be located in Pennsylvania, New Jersey, Delaware, Maryland, or Washington, D.C.

The Fund has underwriting standards specific to each loan product and borrower type. The categories of analysis include management capacity, collateral value, marketing plans, adequacy of cash flow, credit history and past performance with the Fund, quality of financial reporting and historic financial performance, and quality of the business planning and experience with executing similar projects or programs. The Fund's underwriting also frequently incorporates third party reports from credit bureaus, appraisers, engineers, architects, and environmental specialists. All loans in excess of staff lending authority are vetted by independent loan committees comprised of underwriting experts and business professionals from relevant fields. The Board of Directors has authorized specific lending staff, based on experience and expertise, to approve loans and investments within specific guidelines as set by the Board.

Loan committees are created by the Fund's Board of Directors, with any material reorganization also approved by the Board (most recently on January 9, 2008). Each committee provides varied and relevant expertise and makes recommendations for any new membership, with new members approved by the Board of Directors. The Fund monitors conflicts of interest, including requiring an annual official conflict of interest statement from each member. Committee members must recuse themselves from the meeting for any loan for which they may have real or perceived conflicts. Committee members do not receive any compensation or reimbursement for their time.

Each borrower obtaining a loan will execute a note and whatever other legal instruments are deemed necessary to provide for the repayment of principal and interest. The Fund will make both long and short-term loans; interest rates will vary, depending on conditions set by lenders of the Fund, the priorities of the Fund, prevailing market conditions, and the risk associated with the loan. In most cases the loans will be secured in some way, but when the Fund is otherwise satisfied that repayment is reasonably assured, a loan may be unsecured.

The Board of Directors may change these underwriting standards and procedures or make exceptions thereto, from time to time, in its sole discretion.

MANAGEMENT OF THE FUND

The Fund is supervised by a Board of Directors drawn from persons who are, or are associated with, current or potential investors in or borrowers from the Fund, or who possess various professional or other skills necessary or desirable for the effective functioning of the Fund. The Board consists of at least eleven members and not more than thirty-two members. Currently, the Board consists of 14 members. The Board meets at least three times per year.

There are two standing committees of the Board of Directors - the Executive Committee and the Finance & Audit Committee. Two loan committees serve at the will of the Board of Directors: the Housing and Commercial Real Estate Loan Committee and the Community Facilities and Business Loan Committee. The powers and responsibilities of the Board of Directors, through these committees, include (1) approving or disapproving all loans, excluding certain types of smaller dollar loans which are approved or disapproved by Fund staff only; (2) setting policy and direction for the Fund and the Chief Executive Officer; and (3) developing operating budgets and policies for the investment of funds not immediately disbursed by the Fund.

The present members of the Board of Directors are as follows:

Andrea Allon (director since 1999, currently serves on the Finance & Audit Committee), is the Chief Administrative Officer at The Greater Philadelphia Chamber of Commerce and was formerly a partner in the Assurance and Advisory Business Services department of Ernst & Young LLP, specializing in the financial services industry. Allon primarily served banks, investment companies, finance companies and investment partnerships. Allon has a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania and an MBA in Finance from Columbia University School of Business.

John K. Ball (director since 1998, currently serves on the TRF Development Partners Board) is Senior Vice President, Construction Operations of Keating Building Corp, a wholly-owned subsidiary of Tutor Perini Corp. He was formerly President of Shoemaker Construction Co., a regional building construction company. Ball's educational background includes an Economics degree from Duke University and participation in The Wharton School's Advanced Management Program. Ball is actively involved in several professional associations including The Carpenters' Company of the City and County of Philadelphia (past president), the General Building Contractors Association (current Director) , the Council of the Pennsylvania Horticultural Society (Chair).

Catherine C. Carr (director since 2006, currently serves on the Executive Committee) is Executive Director of Community Legal Services, Inc. (CLS), a nationally recognized non-profit law firm that provides free legal services to indigent Philadelphians in civil matters. Carr served as a staff attorney at CLS for eleven years before becoming director, specializing in public benefits case litigation, including access to welfare, Social Security, and Medicaid. Carr is on the board of directors of a number of public interest law firms and serves in several Bar Association leadership positions. Carr received her JD magna cum laude from the University of Pennsylvania Law School, where she was an editor of the Law Review and her B.A. cum laude from Yale University.

Lee Casper (director since 2001, currently serves on the Housing and Commercial Real Estate Loan Committee and TRF Development Partners Board*)* is a retired homebuilder whose local business – Sukonik and Casper - built thousands of homes in the Philadelphia area, principally in northeast Philadelphia and Bucks County. Casper has functioned as a technical advisor to the Fund's housing staff since 1991. He specializes in real estate development and construction management. He is active in a variety of local civic groups including the Jewish Employment and Vocational Services.

Arnie Graff (director since 2009, currently serves on the TRF Development Partners Board) is on the national executive team of the Industrial Areas Foundation (IAF). The IAF is the oldest national organization of community organizations in the country. The IAF is comprised of 56 organizations in the United States, the U.K., Germany and Australia. Arnie's educational background includes receiving a BA in history from S.U.N.Y.at Buffalo and an MSW from West Virginia University. Arnie's main focus currently is on working with the organizations of the I.A.F. that are located on the East coast and the Mid-West.

Scott Jenkins (director since 1999, currently serves on the Executive Committee, Chairman of Finance & Audit Committee, DVCRF Ventures, L.P. and TRF UGP, L.P. Investment Committee, TRF UGP LLC Board and TRF Private Equity Board and as 401(k) Plan Trustee) is a Professional Investment Advisor and President of S. M. Jenkins & Co. He received a Bachelor of Science Degree with distinction from the United States Naval Academy and an MBA with distinction from The Wharton School at the University of Pennsylvania.

Robert E. Keith, Jr. (director since 2000, currently serves as Board Chair and on the Executive Committee, DVCRF Ventures, L.P. and TRF UGP, L.P. Investment Committees, TRF UGP LLC Board and TRF Private Equity Board*)* is a Managing Director of TL Ventures, a $1.4 billion group of venture capital funds focused on technology services, software communications and life sciences. He is also CEO of Technology Leaders Management, Inc. which is responsible for the management of the funds. Keith is a graduate of Amherst College and Temple University School of Law.

Jim Lynch (director since 2001, currently serves on the Finance & Audit Committee) is a founding partner of Patriot Capital Partners, a private equity investment fund focusing on investments in the community banking sector throughout the United States. Prior to Patriot, Lynch served as Chairman and CEO of Sovereign Bank – Mid-Atlantic. He has been a contributor to the local banking community for more than 30 years, previously serving as the President and CEO of Fleet Bank – Pennsylvania, President of Continental Bank, Executive V.P. of Midlantic, and President and CEO of Prime Bank. He is Chairman of the Board of La Salle University, a board member of Holy Redeemer Health Systems and an Executive Committee member of the Philadelphia Chamber of Commerce.

Sharmain Matlock-Turner (director since 2001, currently serves as Board Secretary and on the Executive Committee) is the President and Executive Director of the Greater Philadelphia Urban Affairs Coalition (GPUAC). Matlock-Turner was previously the Associate Vice President for Legislative and Community Affairs at Mercy Health Systems. She currently sits on the boards of La Salle University, the United Way of Southeastern Pennsylvania, People's Emergency Center, the Redevelopment Authority of Philadelphia, and Avenue of the Arts, among many others. Matlock-Turner holds a BS in Education from Temple University.

Joyce Miller (director since 2007, currently serves on the Finance & Audit Committee) is a principal in the public accounting firm of Larson Allen. Miller operated her own public accounting firm for 16 years, specializing in nonprofit organizations, including charter schools, social service agencies, community development, and other arts and cultural organizations. Miller has a BBA in Accounting, cum laude from Temple University and an MBA in Finance from the University of Chicago.

Jeremy Nowak (director since 1985, Founder and currently serves on the Executive Committee, DVCRF Ventures, L.P. and TRF UGP, L.P. Investment Committees, TRF UGP LLC Board, TRF Private Equity Board and TRF Development Partners Board and as 401(k) Plan Trustee) is the **President & CEO and of The Reinvestment Fund**. Under Nowak's leadership, the Fund has deployed more than $840 million in loans and investments to improve the lives of low-wealth people and places. Frequently recognized for his leadership in development finance, Nowak received Philadelphia's highest civic honor in 1994, the Philadelphia Award. Nowak has served as a consultant to a dozen development finance institutions in the United States, China, Latin America, and Africa. Nowak holds a PhD in cultural anthropology from The New School for Social Research (1986) and has written extensively, most recently for the Brookings Review and for Economic Development Quarterly, regarding development finance and public policy options for America's most distressed cities.

William J.T. Strahan (director since 2001, currently serves on the Executive Committee) is Vice President of Compensation and Benefits for Comcast Cable. Formerly Senior Vice President and Director of Compensation and Benefits for Citizens Financial Group and Office Leader of the Princeton-Philadelphia office of Mercer Human Resource Consulting, Mr. Strahan has a Bachelor of Arts degree in Theology from Villanova University; he earned a post-graduate certificate from Georgetown University in Employee Benefits Administration and his JD from the George Mason University School of Law. Strahan is a member of the Virginia Bar, and serves on the Board of trustees of Holy Child Academy, Drexel Hill, PA.

John Summers (director since 2000, currently serves as Board Vice Chair, and on the Executive Committee) is a founding shareholder and attorney with Hangley Aronchick Segal & Pudlin, where he also serves as Chair of the Ethics Committee. He is a member of the Bars of the Supreme Court of Pennsylvania, the United States District Court Eastern District of Pennsylvania and the United States Court of Appeals for the Third Circuit. Summers recently completed a six-year term as a Hearing Board Member for the Pennsylvania Supreme Court Disciplinary

Board. Summers graduated Magna Cum Laude from Wesleyan University, where he received a B.A. in Economics. He received his JD from the University of Pennsylvania Law School.

Mark M. Zandi (director since 2007) is Chief Economist and co-founder of Moody's Economy.com, a leading independent provider of economic, financial, country, and industry research designed to meet the diverse planning and information needs of businesses, governments, and professional investors worldwide. Dr. Zandi received his Ph.D. at the University of Pennsylvania and he received his B.S. from the Wharton School at the University of Pennsylvania.

The present staff members of the management team of the Fund are as follows:

Jeremy Nowak, President and Chief Executive Officer

See Mr. Nowak's bio under Board Members above.

Suzanne A. Aloi, Controller

Aloi is responsible for the Fund's financial internal control policies, accounting practices, financial compliance, reporting and audits conducted by external auditors. Prior to joining the staff in 1998, Ms. Aloi was the Controller of The Cooper Foundation. She has a diversified background with a total of 26 years experience, 20 years with non-profit organizations. Ms. Aloi holds a BA from the University of Pennsylvania and an MBA from Rutgers University.

Margaret Berger Bradley, Director, Communications and Investor Development

Bradley manages investor relations including new investor development and ongoing communication and investor services. Prior to joining the Fund in 1998, Bradley was with The Conservation Company, where she provided management consulting and planning services to corporate and private grant makers and to non-profit organizations. Bradley holds a Masters in Public and Private Management from Yale University and a BA from the University of Virginia.

C. Sean Closkey, President, TRF Development Partners

Closkey joined the Fund in 2003. He was most recently the Executive Director of the State of New Jersey's Housing and Mortgage Finance Agency. Previously, he was the Executive Director of Saint Joseph's Carpenter Society in Camden, NJ. He received a BS in Finance with honors from Villanova University and a MS in Economics from the University of Texas in Austin.

Michael M. Crist, CPA, Executive Vice President & Chief Financial Officer

Since 2001, Crist has led the finance functions of the Fund and its affiliates through fiscal oversight, strategic planning, budgeting and financial projections, treasury operations, and financial risk management. He also is responsible for the technology and human resources departments of the Fund. Prior to joining the Fund, Crist was with PHH, a national residential mortgage banking company, where he served as VP and Controller, VP of New Business Initiatives and Director of Secondary Marketing. Prior to that he was a senior manager at PricewaterhouseCoopers, LLP. Mr. Crist is a graduate of the University of Delaware with a BS in Accounting.

Ira Goldstein, Director, Policy & Information Services

Goldstein joined the Fund in 1999 to lead the Fund's social impact analytical work, which is now integrated with the Fund's financing activities. Goldstein was previously the Mid-Atlantic Director of Fair

Housing and Equal Opportunity at the United States Department of Housing and Urban Development. Mr. Goldstein holds a PhD in Sociology from Temple University and is an adjunct instructor at the University of Pennsylvania. Goldstein has published numerous articles on such topics as housing finance, discrimination, and residential segregation and is a national expert on predatory lending.

Donald R. Hinkle-Brown, Jr., President, Lending and Community Investment

Hinkle-Brown manages all of the Fund's lending operations including capitalization for specific loan pools. The groups he manages deployed more than $345 million during the past three years. Prior to joining the Fund in 1991, Mr. Hinkle-Brown was with Liberty Bank and with Midlantic Corporation, as a real estate lender. Hinkle-Brown holds an MBA from Temple University in Real Estate and Urban Planning.

Maggie McCullough Director, PolicyMap

With the Fund since 2004, McCullough has conducted considerable housing-related research and analysis for public sector and foundation clients and now leads development and roll-out of PolicyMap, TRF's online data analysis and mapping service. She has had an extensive career in local, state and federal government. Ms. McCullough has a B.A. in Economics and Political Science from St. Joseph's University and a Masters in Governmental Administration from the University of Pennsylvania.

Robert G. Sanders, Managing Director, Energy Group

Sanders is responsible for identifying market opportunities that integrate an energy and environmental approach within the Fund's business lines. Prior to joining the staff in 1998, Sanders worked at CoreStates Bank for 15 years, most recently as President of the CoreStates Community Development Corporation. He also worked with community development intermediaries in Philadelphia, PA, Berkeley, CA, and Madison, WI. Sanders holds a BA from Stanford University and an MCP from the University of California, Berkeley.

Sara Vernon Sterman, Managing Director, Community Facilities Finance

With the Fund since 1999, Sterman is a recognized expert in the underwriting of charter schools. She has managed the Fund's community facilities lending since 2000 as the Fund has become the most prolific charter school lender in the region. Sterman has an MSW from The School of Social Work and an MBA from The Wharton School of the University of Pennsylvania.

Nancy Wagner-Hislip, Managing Director, Housing Finance

Wagner-Hislip joined the Fund in 1998 and has managed the Fund's housing finance since 2003. Prior to joining the Fund, she was a Vice President at CoreState Bank where she managed a $30 million community development loan portfolio, and a program analyst for the U.S. General Accounting Office. She holds a BA in Public Policy and Economics from the University of Pennsylvania.

FUND AFFILIATES

Collaborative Lending Initiative, Inc.

The Collaborative Lending Initiative, Inc., a Pennsylvania non-profit corporation ("CLI"), was incorporated by the Fund in March 1994 as a support corporation to increase the participation of conventional financial institutions in the financing of housing for the economically and physically disadvantaged through the sale of loans, direct and indirect loan participations, and credit enhancements. The Fund created CLI to make larger loans than the Fund can make independently, thereby leveraging additional capital into construction projects. CLI is a direct lender to housing, community facilities, and commercial real estate projects for the following purposes: acquisition, new construction, and rehabilitation of for-sale, rental and other special needs housing. The CLI loans are funded by the sale of promissory notes through a syndicated credit facility with JPMorgan Chase Bank as agent. Under the term of the syndicated credit facility, the Fund is a guarantor of payment of all obligations of CLI subject to a maximum guaranty not to exceed 25% of the aggregate loan balance. CLI and the Fund share several board members and several of the Fund's staff members also perform duties for CLI.

DVCRF Ventures, L.P., TRF Urban Growth Partners, L.P. and TRF Private Equity, Inc.

In 2001, the Fund reorganized its private equity holding structure to prepare for the launch of its second private equity limited partnership, TRF Urban Growth Partners, L.P. As a result, the Fund created an affiliated Pennsylvania non-profit corporation, TRF Private Equity, Inc. which serves as the sole member of two limited liability companies, TRF Urban Growth General Partner, LLC and DVCRF Ventures General Partner, LLC. Each of these limited liability companies are the general partner of their respective limited partnerships which in turn serve as the general partners of the two private equity limited partnerships (namely TRF Urban Growth Partners, L.P., and DVCRF Ventures, L.P.).

DVCRF Ventures, L.P.

DVCRF Ventures, L.P., a Pennsylvania limited partnership organized in 1996, was created to operate as a socially responsible private equity fund. The primary objective of DVCRF Ventures, L.P. is to invest in new and expanding businesses with the potential of providing quality jobs for low-income residents of the area. DVCRF Ventures, L.P. invests in a variety of equity and debt securities of for-profit businesses and industries.

DVCRF Ventures, L.P. raised $9,631,000 through: (1) $6,551,000 in sales of limited partnership interests; (2) $2,000,000 pursuant to a loan from foundations; (3) $500,000 pursuant to loans from the Fund; (4) $250,000 pursuant to a capital contribution from the Fund to TRF Private Equity, Inc. and from TRF Private Equity, Inc. to DVCRF Ventures, L.P.; and (5) $330,000 in donations made by third parties to TRF Private Equity, Inc. and from TRF Private Equity Inc. to DVCRF Ventures, L.P. The $6,551,000 in sales of limited partnership interests were made in 1997 totaling $3,628,000, of which $1,260,000 were to Pennsylvania investors and in 1998 totaling $2,923,000, of which $623,000 were to Pennsylvania investors. The limited partnership interests in the partnership were not registered under the Securities Act of 1993, as amended (the "Securities Act"), in reliance upon the exemption contained in Section 4(2) of the Securities Act and Regulation D of the Securities Act applicable to transactions not involving a public offering. The partnership is exempt from the registration requirements of the Investment Company Act of 1940, as amended, in reliance of the exemption contained in Section3(c)(1) of the Investment Company Act. DVCRF Ventures, L.P. and the Fund share several board members, and Jeremy Nowak, the Chief Executive Officer of the Fund, is the Chairman of the Board of Directors of TRF Private Equity, Inc.

The Fund has made the following investments in DVCRF Ventures, L.P.: (i) two loans from the Fund totaling $500,000 (the "Fund Loans"); and (ii) a capital contribution equal to $580,000 made by the Fund to the general partner of DVCRF Ventures, L.P. and from the general partner to DVCRF Ventures, L.P.(the "Fund Contribution"). The Fund Loans bear interest at a rate of 5% per annum and repayment of principal and interest is subordinate to the return of the capital contributions of the limited partners of the partnership and to the repayment of loans from non-profit foundations (the "Foundation Debt"). In the event of liquidation, the Fund Contribution will be subordinate to the contributions of the limited partners of the partnership, the Fund Loan and the Foundation Debt. Net income and losses of the partnership are allocated to the partners of the partnership in proportion to their capital contributions. During fiscal year 2006, the Fund determined that its investment in and loans to DVCRF Ventures, L.P. were impaired and wrote off the entire amount of the Fund Loans and Fund Contribution.

TRF Urban Growth Partners, L.P.

TRF Urban Growth Partners, L.P., a Delaware limited partnership organized in 2001, was created to operate as a socially responsible private equity fund. The primary objective of TRF Urban Growth Partners, L.P is to invest in new and expanding businesses with the potential of providing quality jobs for low-income residents of the area. TRF Urban Growth Partners, L.P invests in a variety of equity and debt securities of for-profit businesses and industries.

TRF Urban Growth Partners, L.P. has raised $48,463,722 of capital commitments through: (1) $45,463,722 (includes the Fund's commitment of $1,850,000) in sales of limited partnership interests; and (2) $3,000,000 pursuant to a capital commitment from the Fund to TRF Private Equity, Inc. and from TRF Private Equity, Inc. to TRF Urban Growth General Partner, LLC and from TRF Urban Growth General Partner, LLC to TRF Urban Growth Capital, L.P. and from TRF Urban Growth Capital, L.P. to TRF Urban Growth Partners, L.P. TRF Urban Growth Partners L.P., TRF Private Equity, Inc., TRF Urban Growth General Partner, LLC and the Fund share several board members, and Jeremy Nowak, the Chief Executive Officer of the Fund, is the Chairman of the Board of TRF Private Equity, Inc.

The Fund has made the following investments in TRF Urban Growth Partners, L.P.: (1) a $3,000,000 capital commitment to the general partner of TRF Urban Growth Partners, L.P. of which $1,725,000 has been called and invested at June 30, 2009 and (2) a $1,850,000 capital commitment to TRF Urban Growth Partners, L.P. of which $1,063,750 has been called and invested at June 30, 2009. In the event of liquidation, the Fund contribution will be at an equal rate with the contributions of the limited partners of TRF Urban Growth Partners, L.P. Net income and losses of the partnership are allocated to the partners of the partnership in proportion to their capital commitments.

In accordance with the provisions of Emerging Issues Task Force No.04-5 ("EITF 04-5"), *"Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights"* the Fund includes TRF Urban Growth Partners, L.P. ("UGP") in its consolidated financial statements.

<u>TRF Private Equity, Inc.</u>

TRF Private Equity, Inc., a wholly-owned subsidiary of the Fund, serves as the management company and manages the day-to-day affairs of TRF Urban Growth Partners, L.P. and DVCRF Ventures, L.P. In exchange for its services, TRF Private Equity, Inc. receives an annual investment advisory fee from Urban Growth Partners, L.P. 2.25% of unreturned capital. The investment advisory fee from DVCRF Ventures, L.P. of 3% of capital invested, ended on December 31, 2006 in accordance with the terms of the partnership agreement.

<u>TRF Enterprise Fund, Inc.</u>

In January 1999, the Fund incorporated a wholly owned non-stock subsidiary, Enterprise Investment Fund, Inc. which was renamed in 2001 as TRF Enterprise Fund, Inc ("TRF EFI"). The primary objective of TRF EFI is to provide urban-based entrepreneurs access to credit that is presently unavailable which in turn is expected to increase services and job opportunities to under-served communities and provide ownership and wealth creation opportunities – especially to minority and women entrepreneurs. TRF EFI is approved by the SBA as a Non-Bank Lender to make SBA guaranteed loans to small businesses. All loans issued by TRF EFI will be SBA-guaranteed, from a minimum of 75% of principal to a maximum of 90% of principal.

TRF EFI is organized and operated exclusively for charitable, educational, and/or scientific purposes within the meaning of Section 501(c)(3) of the Code. TRF EFI has obtained an exemption from Federal income taxes with the IRS.

The Fund initially capitalized TRF EFI with $75,000 of paid-in capital. As of June 30, 2009, paid in capital was $1,210,000. SBA-guaranteed loans made to qualified urban-based small businesses will be funded by loans from the Fund to TRF EFI. The proceeds disbursed under these loans to TRF EFI will be immediately re-lent to the small businesses.

Charter School Capital Access Program, LLC

In June 2003, the Fund entered into a joint venture with NCB Capital Impact (previously NCB Development Corporation) ("NCBCI") to create Charter School Capital Access Program, LLC, a Delaware limited liability company ("CCAP"). CCAP was created so that the Fund could provide larger, longer-term facility loans to charter schools than the Fund can make independently. CCAP was initially capitalized as follows: (1) $6,400,000 equity grant from the U.S. Department of Education available to cover loan losses; (2) $35,000,000 in senior debt commitments from financial institutions; and (3) $10,000,000 in subordinate debt commitments ($5,000,000 each from the Fund and NCBCI). This non-revolving credit facility has outstanding commitments at June 30, 2009 of $31,402,571 and $8,972,163 for the senior debt and subordinate debt, respectively. The Fund has a 50% membership interest in CCAP and accounts for its ownership using the equity method of accounting.

TRF NMTC Fund, LLC

During fiscal years 2009, 2007 and 2005, the Fund received a New Markets Tax Credit Program ("Program") allocation of $75,000,000, $75,000,000 and $38,500,000, respectively. Pursuant to the requirements of the Program, the Fund formed a Delaware for-profit entity TRF NMTC Fund, LLC ("TRF NMTC") to obtain equity investments from investors and make qualified investments in community businesses. TRF NMTC is the general partner in TRF NMTC Fund I, L.P., TRF NMTC Fund II, L.P., TRF NMTC Fund III, L.P., TRF NMTC Fund IV, L.P., TRF NMTC Fund V, L.P., TRF NMTC Fund VI, L.P., NMTC Fund VII, L.P. and NMTC Fund VIII, L.P. (collectively the "TRF NMTC Funds"), with a 0.01% ownership interest in each entity. TRF NMTC and the Fund share several board members. An organizational chart of TRF NMTC's holding structure is provided as Exhibit F.

TRF NMTC Fund I, L.P.

TRF NMTC Fund I, L.P. was funded by a $5,000,000 initial contribution from the limited partner, and a $10 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund I, L.P. recorded total assets and total liabilities of $5,022,218 and $0, respectively. TRF NMTC Fund I, L.P. recorded net income of $141,858 for the year ended June 30, 2009.

TRF NMTC Fund II, L.P.

TRF NMTC Fund II, L.P. was funded by a $22,539,998 initial contribution from the limited partner, and a $100 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund II, L.P. recorded total assets and total liabilities of $21,433,402 and $125, respectively. TRF NMTC Fund II, L.P. recorded net income of $1,684,745 for the year ended June 30, 2009.

TRF NMTC Fund III, L.P.

TRF NMTC Fund III, L.P. was funded by a $10,000,000 initial contribution from the limited partner, and a $1,000 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund III, L.P. recorded total assets and total liabilities of $10,097,161 and $0, respectively. TRF NMTC Fund III, L.P. recorded net income of $311,244 for the year ended June 30, 2009.

TRF NMTC Fund IV, L.P.

TRF NMTC Fund IV, L.P. was funded by a $40,000,000 initial contribution from the limited partner, and a $4,000 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund IV, L.P. recorded total assets of $39,830,428 and total liabilities of $255,000. TRF NMTC Fund IV, L.P. recorded a net income of $2,291,503 for the year ended June 30, 2009.

TRF NMTC Fund V, L.P.

TRF NMTC Fund V, L.P. was funded by a $19,807,729 initial contribution from the limited partner, and a $100 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund V, L.P. recorded total assets of $19,915,781 and total liabilities of $0. TRF NMTC Fund V, L.P. recorded net income of $1,322,282 for the year ended June 30, 2009.

TRF NMTC Fund VI, L.P.

TRF NMTC Fund VI, L.P. was funded by a $16,152,273 initial contribution from the limited partner, and a $1,615 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund VI, L.P. recorded total assets of $16,121,825 and total liabilities of $26,921. TRF NMTC Fund VI, L.P. recorded net income of $500,234 for the year ended June 30, 2009.

TRF NMTC Fund VII, L.P.

TRF NMTC Fund VII, L.P. was funded by a $6,700,000 initial contribution from the limited partner, and a $670 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund VII, L.P. recorded total assets of $6,728,498 and total liabilities of $6,225. TRF NMTC Fund VII, L.P. recorded net income of $55,837 for the year ended June 30, 2009.

TRF NMTC Fund VIII, L.P.

TRF NMTC Fund VIII, L.P. was funded by a $9,000,000 initial contribution from the limited partner, and a $900 initial contribution from TRF NMTC, the general partner. At June 30, 2009, TRF NMTC Fund VIII, L.P. recorded total assets of $9,018,406 and total liabilities of $4,983. TRF NMTC Fund VIII, L.P. recorded net income of $12,523 for the year ended June 30, 2009.

TRF Development Partners, Inc.

TRF Development Partners, Inc ("TRF Development Partners") a Pennsylvania non-profit corporation and wholly owned subsidiary of the Fund has formed five single member Delaware limited liability companies for which it is the sole member, TRF Development Partners - Baltimore, LLC ("TRF-Baltimore"), TRF DP 1500 LLC ("TRF-1500"), TRF Development Partners - Philadelphia, LLC ("TRF-Philadelphia"), TRF Development Partners - Chester, LLC ("TRF-Chester") and TRF Development Partners - Ridge Avenue, LLC ("TRF-Ridge Avenue") to acquire real estate and assemble sites of underdeveloped urban land for residential and supportive commercial use. The Fund has capitalized TRF Development Partners with a grant of $500,000 and has approved a loan commitment of up to $500,000 for predevelopment loans.

At June 30, 2009, TRF-Baltimore has raised $8,610,000 (exclusive of the Fund's subscription note of $500,000) through the sale of promissory notes to private investors. The notes are general obligations of TRF-Baltimore and are supported solely by TRF-Baltimore's promise to pay the holder sums which are due under the terms of the note. The notes are not secured by any specific asset of TRF-Baltimore. The notes were not registered under the Securities Act in reliance upon the exemption contained in section 4(2) of the Securities Act and Regulation D of the Securities Act applicable to transactions not involving a public offering. On July 30, 2007, TRF-Baltimore created a wholly-owned subsidiary, TRF Development Partners-Oliver, LLC ("Oliver, LLC"). The Oliver, LLC was created specifically to further neighborhood and real estate development which creates opportunity for the distressed urban neighborhood of Oliver, LLC, in the City of Baltimore.

At June 30, 2009, TRF-Chester has raised $666,667 (exclusive of the Fund's subscription note of $333,333) through the sale of promissory notes to private investors. The notes are general obligations of TRF-Chester and are supported solely by TRF-Chester's promise to pay the holder sums which are due under the terms of the note. The notes are not secured by any specific asset of TRF-Chester. The notes were not registered under the Securities Act in reliance upon the exemption contained in section 4(2) of the Securities Act and Regulation D of the Securities Act applicable to transactions not involving a public offering.

An organizational chart of TRF Development Partners' holding structure is provided as Exhibit G.

TRF Education Funding, LLC

TRF Education Funding, LLC, ("Education Funding") is a Delaware for-profit entity formed in fiscal 2008 with an initial and current capitalization of $60,100 from the Fund. Education Funding's sole purpose is to manage the Fund's investment in Charter School Financing Partnership, LC ("CSFP"). CSFP was formed to facilitate, encourage and assist in the financing of charter schools.

SUMMARY OF CONSOLIDATED CHANGE IN TOTAL NET ASSETS

The following table is a summary of the consolidated change in total net assets for the fiscal years ended June 30, 2009, 2008, 2007, 2006 and 2005. The consolidated financial statements of the Fund and affiliates include the activities of the Fund, CLI, TRF EFI, TRF Private Equity, Inc., TRF NMTC, TRF Development Partners and TRF Education Funding. The table should be read in conjunction with the Fund's consolidated financial statements for the years ended June 30, 2009 and 2008 and the related notes and supplementary information thereto attached as Exhibit D to this Prospectus.

	2009*	2008*	2007*	2006*	2005
Net financial income (loss)	$ 1,437,087	$ 1,672,229	$ 6,028,302	$ (1,377,501)	$ 4,042,387
Revenue and support	14,035,485	21,134,036	10,937,838	28,515,526	11,931,662
Total expenses and other decreases	(16,094,303)	(19,027,825)	(15,600,931)	(13,460,780)	(12,695,467)
Less: Non-Controlling interest	1,667,844	4,072,780	96,136	5,042,897	-
Change in Net Assets	$ 1,046,113	$ 7,851,220	$ 1,461,345	$ 18,720,142	$ 3,278,582

* Includes entities not previously consolidated.

SCHEDULE OF NOTES OUTSTANDING

The following table lists the aggregate dollar amount of promissory note maturities and other loans payable in each of the next five fiscal years of the Fund:

2010	$ 41,626,020
2011	18,000,736
2012	16,483,964
2013	10,318,673
2014	23,775,355
Thereafter	39,506,854
	$149,711,602

SCHEDULE OF LOANS RECEIVABLE

The following tables illustrate the projected maturities of loans receivable for the Fund and its two lending affiliates, the Enterprise Investment Fund (TRF – EFI) and the Collaborative Lending Initiative (CLI), in each of the next five fiscal years of the Fund:

	2010	2011	2012	2013	2014	Thereafter	Total
Loan and lease repayments							
TRF	$ 56,971,002	$ 13,457,864	$10,091,501	$ 8,902,232	$ 10,075,149	$ 32,717,791	$ 132,215,539
TRF-EFI	312,181	69,314	74,848	80,733	87,269	250,887	875,232
CLI	7,171,058	3,071,884	-	-	-	-	10,242,942
	$ 64,454,241	$ 16,599,062	$10,166,349	$ 8,982,965	$ 10,162,418	$ 32,968,678	$ 143,333,713
Interest payments							
TRF	$ 8,858,441	$ 5,041,384	$ 4,139,707	$ 3,463,577	$ 2,867,127	$ 2,192,092	$ 26,562,328
TRF-EFI	66,518	42,792	37,524	31,836	25,700	19,067	223,436
CLI	573,605	172,026	-	-	-	-	745,630
	$ 9,498,563	$ 5,256,201	$ 4,177,231	$ 3,495,412	$ 2,892,827	$ 2,211,159	$ 27,531,394

LOAN LOSS RESERVES

At June 30, 2009, the allowance for loan and lease losses totaled $9,039,040 or 6.3% of total loan and lease receivables outstanding.

The allowance for loan losses is a valuation reserve that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible. It is established through provisions for loan losses charged to expense. Loans deemed to be uncollectible are charged against the allowance. Subsequent recoveries, if any, are credited to the allowance. The allowance is maintained at a level believed adequate by management to absorb estimated potential losses after considering past performance, the nature of the loan portfolio and current economic conditions. However, the allowance is an estimate that could change if there are significant changes in the portfolio and/or economic conditions.

At June 30, 2009, on a consolidated basis, the Fund and its affiliates had delinquent loans (30+ days delinquent) equal to 6.1% of loans receivable with a combined principal balance of $8,785,009.

LIQUIDITY RESERVES

As of June 30, 2009 the Fund had unrestricted cash, cash equivalents and investments totaling approximately $28,000,000 representing 19% of total promissory notes and other loans payable.

COMPENSATION

Jeremy Nowak, Chief Executive Officer of the Fund, received an annual salary of $260,000 and a bonus of $75,000 from the Fund during the fiscal year ended June 30, 2009. For fiscal 2010, Mr. Nowak's annual base salary remained unchanged at $260,000 with no incentive compensation opportunity.

In fiscal 2007, the Executive Committee and the full Board of Directors approved a long-term incentive plan that entitled Mr. Nowak to a payment of $300,000 should he be employed by the Fund and the Fund not be in material default of any of its debt agreements as of December 31, 2008. The incentive compensation plan is administered by the Executive Committee of the Board of Directors ("Executive Committee"). During fiscal 2009, the Board determined that Mr. Nowak met the criteria of the long-term incentive plan and authorized the payment of $300,000 which was paid to Mr. Nowak on March 31, 2009.

The following table shows the compensation and benefits paid to the officers of the Fund for the fiscal year ended June 30, 2009.

	Compensation					Benefits					
	Regular	Bonus	Benefit Dollars	Long Term Disability	Total Compensation	Sup Dol Health Insurance	401K Employer Contribution	Life Insurance Premiums	Short Term Disability	Total Benefits	Total Compensation & Benefits
		(a)	(b)	(c)		(d)	(e)	(f)	(g)		
Nowak, Jeremy	$ 260,000	$ 375,000	$ 260	$ 1,102	$ 636,362	$ 21,840	$ 15,277	$ 69	$ 743	$ 37,928	$ 674,290
Crist, Michael	201,571	19,570	18,010	889	240,040	-	13,418	69	695	14,181	254,221
Hinkle-Brown, Donald R	225,000	30,000	1,953	992	257,945	17,697	14,570	69	758	33,093	291,038
Bradley, Margaret Berger	137,500	12,500	361	606	150,967	13,952	8,713	69	481	23,214	174,181
Total	$ 824,071	$ 437,070	$ 20,584	$ 3,589	$ 1,285,314	$ 53,489	$ 51,978	$ 274	$ 2,676	$ 108,417	$ 1,393,730

(a) Bonus - Nowak ($75,000), Crist ($19,570), Hinkle ($30,000), Bradley ($12,500) - accrued in FY08, paid in FY09. Long-Term Incentive - Nowak ($300,000)
(b) Benefit Dollars - TRF provides all employees with Benefit Dollars for the primary purpose of purchasing health benefits. The benefit calculation is $3,900 plus 7% of base compensation unless reduced by separate agreement.
(c) Long Term Disability Premium - TRF provides long term disability insurance for all employees. The premium is considered as part of compensation.
(d) Supplemental Health Insurance - TRF offers health insurance for all employees. Those employees electing not to use Benefit Dollars for health insurance will receive the dollars as part of compensation.
(e) 401K Employer Contribution - TRF offers employer matching contribution up to 6% of qualifying compensation.
(f) Life Insurance - TRF provides a $50,000 term life insurance policy for all employees. The premium is considered as part of compensation.
(g) Short Term Disability Premium - TRF provides short term disability insurance for all employees. The premium is considered as part of compensation.

TAX CONSIDERATIONS

This summary of certain material U.S. federal income tax considerations is for general information purposes only, is not relevant to all prospective holders – such as foreign persons – of the Promissory Notes, and is not tax advice. This summary does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular prospective holder in light of the prospective holder's circumstances. This summary does not address any aspect of state, local, or foreign law, or U.S. federal estate and gift tax law.

PROSPECTIVE HOLDERS OF THE PROMISSORY NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE PROMISSORY NOTES.

Any interest paid or accrued on Promissory Notes will be income to the holder for federal income tax purposes. The investor generally will be liable for federal income tax on such interest, unless the investor is eligible for an exemption from federal tax with respect to such interest. Each investor will receive a Form 1099 in January of each year indicating the interest earned on the investment. Investors will not be taxed on the repayment of the principal of their loan.

Notes which bear interest at "below-market" rates may fall within the imputed interest provisions of the Code (in particular, Code section 7872), which, in some cases, impose tax liability on investors for the difference between market rates and the interest actually paid. The Internal Revenue Service ("IRS") has issued temporary and proposed regulations interpreting these provisions. The temporary regulations state that certain loans carrying "below market" rates of interest will be exempted from the imputed interest provisions of the Code. The exemptions include a gift loan to a charitable organization that is described in Code section 170(c) if, at no time during the taxable year, the aggregate outstanding amount of loans by the lender to that organization (or to charitable organizations that are effectively controlled by the same person or persons who control that organization) exceeds $250,000.

The Fund has received an IRS determination that it is an exempt organization within the meaning of Code section 501 (c)(3) and a determination that it will be treated as a publicly supported organization under Code section 170(b)(1)(A)(vi). Such organizations are described in Code section 170(c). Therefore, under the above-mentioned regulations, a loan to the Fund which carries an interest rate that is below the market rate announced by the IRS will not be subject to the imputed interest provisions of the Code if the foregoing of interest on the loan by the holder is in the nature of a gift and if the amount of the loan, together with all other loans made by the investor to the Fund (or to charities controlled by the same person or persons who control the Fund), does not exceed $250,000. The holder would be entitled to no charitable deduction on account of any forgone interest that is exempt from the imputed interest provisions of Code section 7872 in the manner described in the preceding sentence.

If a holder loans to the Fund (or the Fund and to charities controlled by the same person or persons who control the Fund) an amount during a taxable year that, in the aggregate, exceeds $250,000 and the loan carries a below-market rate of interest, the investor may be treated as receiving imputed interest income and as making a corresponding charitable contribution, which will be subject to the limitations in the Code for charitable contribution deductions. It is possible, therefore, that some or all of the imputed interest income could be offset by a charitable deduction. The temporary regulations further provide that a below-market interest rate loan may also be exempt from the imputed interest provisions of Code section 7872 if the taxpayer can demonstrate that the interest arrangements of the loan have no significant effect on any federal tax liability of the Fund or holder. Whether the interest arrangements of a loan have a significant effect on any federal tax liability of the Fund or holder is determined on a loan-by-loan basis and is dependent upon all of the facts and circumstances.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN BY THE FUND TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS AND PROMISSORY NOTES ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PENDING LEGAL PROCEEDINGS

There are no material legal or administrative proceedings now pending against the Fund nor are there any such proceedings known to the Fund to be threatened or contemplated by governmental authorities.

LEGAL OPINION

The law firm of Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103 has given a legal opinion to the Fund to the effect that the Promissory Notes, when issued pursuant to this offering, will constitute binding obligations of the Fund.

INDEPENDENT AUDITORS

The consolidated financial statements of The Reinvestment Fund, Inc. and affiliates for the years ended June 30, 2009 and 2008 and the related notes and supplementary information thereto attached as Exhibit D to this Prospectus have been audited by McGladrey & Pullen, LLP, Certified Public Accountants, 512 Township Line Road, One Valley Square, Suite 250, Blue Bell, PA 19422.

MEETING OF THE BOARD OF DIRECTORS

The Board of Directors of the Fund meets at least three times a year at a time and place determined by the Executive Committee or by the Fund's staff.

ANNUAL REPORTS

Each holder of a Promissory Note will be provided annually with audited financial statements of the Fund within 120 days of the Fund’s fiscal year-end.

WITHDRAWAL RIGHTS

If you have accepted an offer to purchase these securities made pursuant to a prospectus which contains a written notice explaining your right to withdraw your acceptance pursuant to section 207(m) of the Pennsylvania Securities Act of 1972, you may elect, within two business days after the first time you have received this notice and a prospectus (which is not materially different from the final prospectus) to withdraw from your purchase agreement and receive a full refund of all moneys paid by you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, you need only send a written notice (including a notice by facsimile or electronic mail) to the Fund indicating your intention to withdraw.

METHOD OF OFFERING

The Fund will seek loans from persons or organizations that are known to the Fund and believed to be interested in projects of this type and capable of bearing the risks. In addition, the Fund may publicly disseminate information about the Fund and this offering.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR LIABILITIES UNDER SECURITIES LAWS

Article V of our Bylaws provides for indemnification of our directors and officers and other individuals designated by our Board of Directors against any liability incurred in connection with any proceeding in which such person may be involved as a party or otherwise, by reason of the fact that such person is or was serving as a director, officer, employee or agent of the Fund, or, at our request, as a director, officer, employee, agent or fiduciary of another entity or enterprise. It is the position of the Pennsylvania Securities Commission that indemnification in connection with violations of securities laws is against public policy and void.

Exhibit A *Investment № (______)*

Loan Agreement with Investor

This is a Loan Agreement by and between (__________)("Investor(s)") whose address is (____________)and The Reinvestment Fund, Inc., a Pennsylvania non-profit corporation ("Borrower"), whose address is 718 Arch Street, Suite 300 North, Philadelphia, PA 19106, made and entered into on (_____).

Background

Borrower is organized for the purpose of providing financing to build wealth and opportunity for low-wealth communities and low- and moderate-income individuals, and Investor desires to support Borrower in doing so by lending the amounts set forth below, on the terms and conditions contained herein.

Now Therefore, intending to be legally bound, the Borrower and Investor agree as follows:

1) The Investor hereby agrees to make a loan to the Borrower in the Amount of (_______).

2) The Borrower shall evidence this loan with a Promissory Note to the Investor for the total sum specified in paragraph 1. The loan shall bear simple interest at the rate of (___)% percent per annum. Interest on the loan shall be due and payable annually on (______). If not sooner paid, the loan shall be due and payable on (______) (the "Maturity Date"), unless the loan is renewed pursuant to paragraph 3 below.

3) The Borrower shall provide written notice (the "Renewal Notice") to the Investor at the address set forth in the preamble of this Loan Agreement at least 30 days prior to the Maturity Date providing the Investor with the option, exercisable within 60 days after the Maturity Date, to receive payment in full of the amount of the loan or to renew the amount of the loan on terms agreed upon between the Borrower and the Investor. The Renewal Notice will be accompanied by the Borrower's Prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. If the Investor elects to receive payment in full of the loan amount, the Investor shall not be entitled to receive interest on the amount of the loan after the Maturity Date. Notwithstanding anything contained herein to the contrary, if the Investor fails to provide written notice to the Borrower at the address set forth in the preamble of this Loan Agreement in response to the Renewal Notice within 60 days after the Maturity Date electing either to receive payment in full of the amount of the loan or to renew the amount of the loan, the Investor shall be deemed to have elected to have the entire amount of the loan renewed for same duration as the original loan and the renewed loan shall be on the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Borrower is then selling under the Borrower's Prospectus then in effect.

4) Funds from this loan shall be used solely by and for the purposes of the Fund, and the Borrower shall notify the Investor, upon request, of the use of the whole or any part of the funds from this loan.

5) **The Investor shall have the right to withdraw this loan within two business days after Investor receives this notice and the related Prospectus. Such withdrawal will be without liability to any person and all money paid by Investor shall be refunded. To accomplish such a withdrawal, the Investor should send a letter by registered or certified United States mail or telegram to the Fund indicating his or her intention to withdraw. Such a letter or telegram should be sent and postmarked before the end of the two day withdrawal period.**

6) This loan agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

In Witness Whereof, Borrower and Investor have executed this Loan Agreement on (____).

THE REINVESTMENT FUND, Inc.

By: __________________________________

Chief Financial Officer

By: __________________________________

SS#__________________________________

By: __________________________________

SS#__________________________________

Exhibit B

Dated: _______________ PROMISSORY NOTE *Investment № (______)*

For value received, The Reinvestment Fund, Inc. ("Borrower") promises to pay (___________)(“Investor(s)”) the principal sum of (________) with interest on the unpaid principal balance from the date of this Promissory Note, until paid, at the rate of (_____) percent per annum. Interest shall be payable annually on (____________). The principal shall be payable at (_______________) or such other place as the Lender may designate. Any indebtedness evidenced by this Note, if not sooner paid, shall be due and payable on (__________) (the “Maturity Date”).

The Borrower shall provide written notice (the “Renewal Notice”) to the Investor at least 30 days prior to the Maturity Date providing the Investor with the option, exercisable within 60 days after the Maturity Date, to receive payment in full of the principal amount of this Promissory Note or to renew this Promissory Note on terms agreed upon between the Borrower and the Investor. The Renewal Notice will be accompanied by the Borrower’s Prospectus then in effect containing a description of the terms of the Promissory Notes that would be issued upon renewal. If the Investor elects to receive payment in full of the principal amount of this Promissory Note, the Investor shall not be entitled to receive interest on the principal amount of this Promissory Note after the Maturity Date. Notwithstanding anything contained herein to the contrary, if the Investor fails to provide written notice to the Borrower in response to the Renewal Notice within 60 days after the Maturity Date electing either to receive payment in full of the principal amount of this Promissory Note or to renew this Promissory Note, the Investor shall be deemed to have elected to have this Promissory Note renewed for same duration as the Promissory Note originally issued and the renewed Promissory Note shall be on the terms and conditions, including interest rate, then in effect for the Promissory Notes that the Borrower is then selling under the Borrower’s Prospectus then in effect.

By: ____

Chief Financial Officer

TRF Corporate Structure

Exhibit C

- The Reinvestment Fund, Inc. (a) (PA nonprofit corporation)
  - Collaborative Lending Initiative (CLI) (b) (PA nonprofit corporation)
  - TRF Enterprise Fund (c) (PA for profit non-stock business corporation)
  - TRF Private Equity, Inc. (d) (PA nonprofit corporation)
  - TRF NMTC Fund, LLC (e)
  - TRF Development Partners, Inc. (f) (PA nonprofit Corporation)
  - TRF Education Funding, LLC (g)

(a) TRF is a Community Development Financial Institution ("CDFI") and Community Development Entity ("CDE") incorporated in 1985

(b) CLI is a syndicated debt facility that finances large construction loans

(c) TRF Enterprise Fund, Inc. holds TRF's SBA license and related SBA-guaranteed small business loans receivable

(d) TRF Private Equity, Inc. is the holding company for all private equity activity. See Exhibit E for additional affiliates

(e) TRF NMTC Fund, LLC is a managing member of subsidiary and affiliated CDEs to obtain Qualified Equity Investments ("QEIs") and make qualified New Market Tax Credit ("NMTC") investments. See Exhibit F.

(f) TRF Development Partners, Inc. is an affiliate established to acquire and develop land. See Exhibit G for additional affiliates.

(g) TRF Education Funding, LLC was formed to facilitate, encourage and assist in the financing of charter schools.

McGladrey & Pullen
Certified Public Accountants

EXHIBIT D

The Reinvestment Fund, Inc. and Affiliates

Consolidated Financial Report
June 30, 2009

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

The Reinvestment Fund, Inc. and Affiliates

Contents

Independent Auditor's Report on the Consolidated Financial Statements	1
Financial Statements	
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	3 – 4
Consolidated Statements of Cash Flows	5 – 6
Notes to Consolidated Financial Statements	7 - 31
Independent Auditor's Report on the Supplementary Information	32
Supplementary Information	
TRF and Affiliates Consolidating Statements of Financial Position (Excluding SDF)	33 – 34
TRF and Affiliates Consolidating Statements of Activities (Excluding SDF)	35 – 36
TRF Private Equity, Inc. and Affiliates Consolidating Statements of Financial Position	37 – 38
TRF Private Equity, Inc. and Affiliates Consolidating Statements of Activities	39 - 40
TRF Development Partners, Inc. and Affiliates Consolidating Statements of Financial Position	41 – 42
TRF Development Partners, Inc. and Affiliates Consolidating Statements of Activities	43 – 44
TRF and Affiliates Consolidated Schedules of Functional Expenses	45

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on the Consolidated Financial Statements

To the Boards of Directors
The Reinvestment Fund, Inc. and Affiliates
Philadelphia, Pennsylvania

We have audited the accompanying consolidated statements of financial position of The Reinvestment Fund, Inc. and Affiliates (the "Organization") as of June 30, 2009 and 2008, and the related consolidated statements of activities 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 The Reinvestment Fund, Inc. and Affiliates as of June 30, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Blue Bell, Pennsylvania
September 17, 2009

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

The Reinvestment Fund, Inc. and Affiliates

Consolidated Statements of Financial Position

	June 30	
	2009	2008
Assets		
Current Assets		
Cash and cash equivalents	$ 35,873,652	$ 8,851,253
Grants and contributions receivable	2,561,250	7,350,459
Investments in marketable securities	20,918,679	23,124,562
Loans and leases, less allowance for losses of $3,934,663 at June 30, 2009 and $2,581,669 at June 30, 2008	60,519,578	49,851,924
Other	2,983,131	1,944,124
Restricted cash and cash equivalents	18,085,881	17,980,515
	140,942,171	109,102,837
Noncurrent Assets		
Grants and contributions receivable	-	3,071,754
Investments in marketable securities	1,551,852	10,215,420
Program investments	325,500	388,500
Loans and leases, less allowance for losses of $5,104,377 at June 30, 2009 and $3,110,595 at June 30, 2008	73,775,095	58,284,609
Investments in limited partnerships	1,806,239	2,047,814
Private equity investments	6,939,513	7,708,084
Equipment, leasehold improvements and software, net	1,726,174	1,547,989
Property held for development or sale	6,778,961	1,557,157
Other	331,172	433,725
	93,234,506	85,255,052
Total Assets	$ 234,176,677	$ 194,357,889
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 891,419	$ 1,718,873
Grants payable	33,624	563,208
Escrow payable and due to third parties	3,074,406	4,146,697
Other	862,247	672,336
Recoverable grant payable	-	758,840
Loans payable, current portion	41,626,020	13,005,912
	46,487,716	20,865,866
Noncurrent Liabilities		
Loans payable, less current maturities	108,085,582	94,357,256
Total Liabilities	154,573,298	115,223,122
Non-Controlling Interest	7,055,702	7,633,203
Commitments and Contingencies (Note 16)		
Net Assets		
Unrestricted	8,289,137	11,649,454
Unrestricted - Contractually limited as to use	10,178,688	10,108,082
Total Unrestricted	18,467,825	21,757,536
Temporarily restricted	25,179,275	20,550,459
Temporarily restricted - Contractually limited as to use	1,130,177	1,726,818
Total Temporarily restricted	26,309,452	22,277,277
Permanently restricted	27,770,400	27,466,751
Total Net Assets	72,547,677	71,501,564
Total Liabilities and Net Assets	$ 234,176,677	$ 194,357,889

See Notes to Consolidated Financial Statements.

The Reinvestment Fund, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Financial Activity				
Financial Income				
Interest income from:				
Marketable securities	$ 433,657	$ 319,281	$ -	$ 752,938
Loans and leases	8,297,568	-	-	8,297,568
Private equity investments	102,833	-	-	102,833
Investment gains, net				
Marketable securities	-	7,265	-	7,265
Loan and lease fees	970,239	-	-	970,239
Asset management fee	927,496	-	-	927,496
Total Financial Income	10,731,793	326,546	-	11,058,339
Financial Expense				
Interest expense	4,166,929	-	-	4,166,929
Investment losses, net				
Marketable securities	226,859	-	-	226,859
Program investments	44,000	-	-	44,000
Private equity investments	1,199,545	-	-	1,199,545
Equity losses in limited partnerships	95,933	-	-	95,933
Provision for loan and lease losses	3,887,986	-	-	3,887,986
Total Financial Expense	9,621,252	-	-	9,621,252
Net Financial Income	1,110,541	326,546	-	1,437,087
Revenue and Support				
Grants and contributions	1,040,281	8,035,874	2,480,552	11,556,707
Program services and fees	2,478,778	-	-	2,478,778
Net assets released from restrictions	5,576,767	(5,576,767)	-	-
Total Revenue and Support	9,095,826	2,459,107	2,480,552	14,035,485
Program and General Expenses and Other Decreases				
Program and General Expenses				
Program - Lending and Community Investing	5,948,521	-	-	5,948,521
Program - Private Equity	829,330	-	-	829,330
Program - Sustainable Development Fund	1,079,129	-	-	1,079,129
Program - Policy Solutions	789,740	-	-	789,740
Program - PolicyMap	1,506,677	-	-	1,506,677
Program - Development Partners	1,580,189	-	-	1,580,189
Management and general	3,430,336	-	-	3,430,336
Total Program and General Expenses	15,163,922	-	-	15,163,922
Other Decreases (Increases)				
Charges related to revolving loan fund	-	-	930,381	930,381
Reclassifications	-	(1,246,522)	1,246,522	-
Total Other Decreases (Increases)	-	(1,246,522)	2,176,903	930,381
Total Expenses and Other Decreases (Increases)	15,163,922	(1,246,522)	2,176,903	16,094,303
Change in net assets before non-controlling interest	(4,957,555)	4,032,175	303,649	(621,731)
Less: non-controlling interest	1,667,844	-	-	1,667,844
Change in net assets	(3,289,711)	4,032,175	303,649	1,046,113
Net assets, beginning	21,757,536	22,277,277	27,466,751	71,501,564
Net assets, ending	$ 18,467,825	$ 26,309,452	$ 27,770,400	$ 72,547,677

See Notes to Consolidated Financial Statements.

The Reinvestment Fund, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Financial Activity				
Financial Income				
Interest income from:				
Marketable securities	$ 1,674,006	$ 618,876	$ 409,592	$ 2,702,474
Loans and leases	7,126,020	-	-	7,126,020
Private equity investments	84,330	-	-	84,330
Loan and lease fees	932,474	-	-	932,474
Asset management fee	873,101	-	-	873,101
Total Financial Income	10,689,931	618,876	409,592	11,718,399
Financial Expense				
Interest expense	4,141,108	-	-	4,141,108
Investment losses, net				
Marketable securities	46,782	5,189	-	51,971
Program investments	541,122	-	-	541,122
Private equity investments	3,977,310	-	-	3,977,310
Equity losses in limited partnerships	117,271	-	-	117,271
Provision for loan and lease losses	1,217,388	-	-	1,217,388
Total Financial Expense	10,040,981	5,189	-	10,046,170
Net Financial Income	648,950	613,687	409,592	1,672,229
Revenue and Support				
Grants and contributions	3,898,247	10,119,119	5,039,568	19,056,934
Program services and fees	2,067,997	-	-	2,067,997
Other income	9,105	-	-	9,105
Net assets released from restrictions	8,628,715	(8,628,715)	-	-
Total Revenue and Support	14,604,064	1,490,404	5,039,568	21,134,036
Program and General Expenses and Other Decreases				
Program and General Expenses				
Program - Lending and Community Investing	6,764,310	-	-	6,764,310
Program - Private Equity	736,247	-	-	736,247
Program - Sustainable Development Fund	3,711,912	-	-	3,711,912
Program - Policy Solutions	1,900,494	-	-	1,900,494
Program - PolicyMap	930,073	-	-	930,073
Program - Development Partners	886,741	-	-	886,741
Management and general	3,358,710	-	-	3,358,710
Total Program and General Expenses	18,288,487	-	-	18,288,487
Other Decreases				
Discontinuance of program	-	-	192,382	192,382
Charges related to revolving loan fund	-	-	546,956	546,956
Total Other Decreases	-	-	739,338	739,338
Total Expenses and Other Decreases	18,288,487	-	739,338	19,027,825
Change in net assets before non-controlling interest	(3,035,473)	2,104,091	4,709,822	3,778,440
Less: non-controlling interest	4,072,780	-	-	4,072,780
Change in net assets	1,037,307	2,104,091	4,709,822	7,851,220
Net assets, beginning	20,720,229	20,173,186	22,756,929	63,650,344
Net assets, ending	$ 21,757,536	$ 22,277,277	$ 27,466,751	$ 71,501,564

See Notes to Consolidated Financial Statements.

The Reinvestment Fund, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Change in net assets	$ 1,046,113	$ 7,851,220
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for loan and lease losses	3,887,986	1,217,388
Charges related to revolving loan fund	930,381	546,956
Losses in private equity investments, net	1,199,545	3,977,310
Depreciation and amortization	663,352	311,356
Deferred loan and lease fees, net	(163,895)	147,726
Investment losses in marketable securities, net	219,594	51,971
Investment losses in program investments, net	44,000	541,122
Non-cash grant support	(2,002,300)	(38,814)
Non-cash grant expense	-	250,000
Discontinuation of program	-	192,382
Decrease in equity earnings in limited partnerships	95,933	117,271
Non-controlling interest	(1,667,844)	(4,072,780)
(Increase) decrease in:		
Grants and contributions receivable	7,860,963	(8,122,213)
Restricted cash and cash equivalents	(552,322)	3,020,501
Property held for development or sale	(2,621,804)	(1,557,157)
Other	(954,945)	1,650,827
Increase (decrease) in:		
Accounts payable and accrued expenses	(827,454)	409,887
Grants payable	(529,584)	257,053
Escrow payable and due to third parties	(1,072,291)	557,032
Other	189,911	43,056
Recoverable grants payable	(758,840)	(3,904,660)
Net cash provided by operating activities	4,986,499	3,447,434
Cash Flows from Investing Activities		
Purchases of marketable securities	(39,682,649)	(60,072,158)
Proceeds from maturities of marketable securities	50,332,506	63,999,494
Proceeds from maturities of program investments	19,000	18,000
Purchases of private equity investments	(587,500)	(919,036)
Proceeds from disposition of private equity investments	176,267	396,178
Purchases of limited partnerships	(44,570)	(61,615)
Distributions from limited partnerships	190,212	464,238
Cash disbursements on loans receivable	(117,237,062)	(94,833,660)
Cash receipts on loans receivable	86,774,109	72,057,439
Principal payments received under leases	97,297	91,129
Additions of equipment, leasehold improvements and software	(841,537)	(1,084,785)
Net cash used in investing activities	(20,803,927)	(19,944,776)
Cash Flows from Financing Activities		
Proceeds from issuance of loans payable	67,928,137	39,319,567
Principal payments on loans payable	(26,254,734)	(27,509,337)
Reinvested interest on investors payable	77,331	71,256
Cash contributions from non-controlling interest	1,089,093	1,308,912
Net cash provided by financing activities	42,839,827	13,190,398
Net (decrease) increase in cash and cash equivalents	27,022,399	(3,306,944)
Cash and cash equivalents, beginning	8,851,253	12,158,197
Cash and cash equivalents, ending	$ 35,873,652	$ 8,851,253

(Continued)

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2009 and 2008

	2009	2008
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 3,815,648	$ 4,032,668
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Conversion of loans payable into grant support	$ 2,002,300	$ 38,814
Conversion of loan receivable into grant expense	$ -	$ 250,000
Accrual of return of cash distributions to private equity limited partnerships provision	$ -	$ 40,600
Contributions from non-controlling interest	$ 1,250	$ -
Conversion of interest receivable into private equity investment	$ 19,741	$ 22,353
Acquisition of property held for development or sale through issuance of loans payable	$ 2,600,000	$ -

See Notes to Consolidated Financial Statements.

Note 1. Summary of Significant Accounting Policies

Description of Organization and Activities

Founded in 1985, The Reinvestment Fund, Inc. ("TRF") builds wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. TRF and affiliates listed below (collectively the "Organization") are affiliated organizations, related by common Board members and management, operating as a unified organization with focused vision, strategy, and management systems. The Organization's principal sources of revenue and support are interest income and loan fees earned from its investing and lending activities, grants and contributions and program services and fees.

Description of each entity and its operation is summarized below.

The Reinvestment Fund, Inc.: TRF is a Pennsylvania not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In pursuit of its mission, TRF finances housing, community facilities, schools, commercial real estate, business development and sustainable energy projects using loan, equity and other financing tools. It supports its financing with a strong research and policy analysis capacity that has become a highly regarded source of unbiased information for public officials and private investors. Most of TRF's financing programs extend throughout the mid-Atlantic region. Nationally, TRF's public policy expertise helps clients create actionable solutions and TRF's online data and mapping tool, PolicyMap.com, provides a platform for sharing data and analysis.

Collaborative Lending Initiative, Inc.: Collaborative Lending Initiative, Inc. ("CLI") is a Pennsylvania not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. CLI increases the flow of conventional credit into construction projects that benefit low-wealth people and places.

TRF Private Equity, Inc.: TRF Private Equity, Inc. ("Private Equity") is a Pennsylvania not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Private Equity directly or indirectly owns 100.00% of the partnership interests of the general partner of DVCRF Ventures, L.P. ("DVCRF") and 100.00% of the partnership interests of the general partner of TRF Urban Growth Partners, L.P. ("UGP"). In accordance with the partnership agreements, management of the Partnerships is vested in Private Equity. DVCRF is a Pennsylvania limited partnership private equity fund created to provide debt and equity to expanding businesses that have the potential to create quality job opportunities for low-income residents of the greater Philadelphia region. UGP is a Delaware limited partnership private equity fund created to provide debt and equity to new and expanding businesses which provide quality job opportunities for low and middle-income workers in the mid-Atlantic region including Pennsylvania, New Jersey, Delaware, Maryland and Washington, D.C. In accordance with EITF Issue No. 04-5, UGP has been consolidated with Private Equity, the general partner. DVCRF was not consolidated with Private Equity, since management believes the amounts to be insignificant.

TRF Enterprise Fund, Inc.: TRF Enterprise Fund, Inc. ("EFI") is a Pennsylvania for-profit non-stock business corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, wholly owned by TRF. EFI is incorporated to enable it to achieve its charitable purpose of being a Small Business Administration ("SBA") Non-Bank Participating Lender. EFI provides urban-based entrepreneurs access to credit that they currently do not have, to increase services and job opportunities in under-served communities and to provide ownership and wealth creation opportunities, especially to minority and female entrepreneurs. In accordance with federal law, EFI is regulated by the Pennsylvania Department of Banking and is licensed to do business under the Consumer Discount Company Act.

TRF NMTC Fund, LLC: TRF NMTC Fund, LLC ("NMTC") is a Delaware limited liability company, wholly owned by TRF. NMTC was formed as a result of TRF receiving an allocation of New Market Tax Credits from the U.S. Department of the Treasury that obtains equity investments from investors and makes investments in Qualified Active Low-Income Community Businesses ("QALICB") as defined in the operating agreement.

TRF Development Partners, Inc.: TRF Development Partners, Inc. is a Pennsylvania not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. TRF Development Partners, Inc. together with its wholly owned subsidiaries, TRF Development Partners-Baltimore, LLC and subsidiary, TRF Development Partners-Philadelphia, LLC ,TRF DP Ridge Avenue, LLC, TRF Development Partners-Chester, LLC and TRF DP 1500, LLC (collectively "Development Partners") uses TRF's data resources and development plans to help it assemble land and participate in real estate transactions in designated communities, concentrating in areas where it has a compelling mission interest.

Note 1. Summary of Significant Accounting Policies (Continued)

TRF Education Funding, LLC: TRF Education Funding, LLC ("Education Funding") is a Delaware limited liability company, wholly owned by TRF. Education Funding was formed to manage TRF's investment in the Charter School Financing Partnership, LLC ("CSFP"). CSFP was formed to facilitate, encourage and assist in the financing of charter school facilities.

The Organization has six major programs, three of which make up the Organization's financing programs, two providing public information and analysis, and the final one developing real estate:

1) *Lending and Community Investing:* Encompasses TRF's financing of homes, schools, supermarkets and other projects that benefit low-wealth people and places and is the core lending function of the Organization.

2) *Private Equity:* Represents the Organization's activities as manager of two Private Equity funds, DVCRF and UGP.

3) *Sustainable Development Fund ("SDF"):* Represents an energy-related fund that uses loans, investments and grants to augment the Organization's existing energy conservation and community investing efforts. SDF was created by the parties to the PECO Energy Company ("PECO Energy") restructuring proceeding and approved by the Pennsylvania Public Utility Commission ("PUC") in May 1998 (Note 14).

4) *Policy Solutions:* Conducts policy, data and social impact analyses that advance TRF's mission and effect system change, on behalf of TRF and public and philanthropic clients.

5) *PolicyMap:* Provides an online data and mapping tool that provides broad access to data, reports and analytics useful for social investment strategies.

6) *Development Partners:* Participates in real estate transactions to create opportunity for disadvantaged families by directing capital into distressed urban neighborhoods in a way that encourages additional private investment and reconnects the places and people it serves to a broader and more dynamic socioeconomic system.

Principles of Consolidation: The consolidated financial statements include the accounts of TRF, CLI, Private Equity and Subsidiaries, EFI, NMTC, Development Partners and Subsidiaries, and Education Funding. All significant intra-organization accounts and transactions have been eliminated in consolidation.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Organization considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows excludes restricted cash.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents includes cash and cash equivalents held in escrow and cash received from certain lenders and grantors. The use of such amounts is restricted by the related underlying loan or grant agreements.

The escrow cash accounts include reserve accounts held for borrowers and intended for specific purposes. In the event of a cash flow shortfall, the operating reserve is designated for operating expenses of the project and the debt reserve is designated for principal payments. Interest reserves are designated for monthly interest payments on specific loans. Repair and replacement reserves are designated for capital improvements.

Valuation of Investments in Marketable Securities, Program Investments and Private Equity Investments

The fair value of each investment is determined at the balance sheet date in accordance with Statement of Financial Accounting Standard ("SFAS") No. 157, *Fair Value Measurements*. Accordingly, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts and fair value measurements are separately disclosed by level within the fair value hierarchy.

Note 1. Summary of Significant Accounting Policies (Continued)

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 include listed equities and listed derivatives. As required by SFAS No. 157, the Organization does not adjust the quoted price for these investments, even in situations where the Organization may hold a large position and a sale could reasonably impact the quoted price.

Securities that are listed on the United States securities exchange are valued at their last sales price on the largest United State securities exchange on which such securities have traded. Securities that are listed on an international exchange are valued at the last sales price from the largest exchange within the individual security's country of jurisdiction.

Level 2: Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Investments for which prices are not observable are generally private investments in the equity and debt securities of operating companies. Fair value of private investments is based on Level 3 inputs and is determined by reference to public market or private transactions or valuations for comparable companies or assets in the relevant asset class when such amounts are available. In the absence of a principle market (public market) the Organization determines the most advantageous market in which the Organization would sell their investment. Typically the Organization expects to exit their investment through a sale of the investment. Valuations of the underlying investments are completed to compute the fair value for each class of security owned by the Organization. Generally these valuations are derived by multiplying a key performance metric of the investee company's asset (e.g. EBITDA) by the relevant valuation multiple observed for comparable companies or transactions, adjusted by management for differences between the investment and the referenced comparable.

If the fair value of private investments held cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate the fair value of such private investments is the discounted cash flow method. A sensitivity analysis is applied to the estimated future cash flows using various factors depending on investment, including assumed growth rate (in cash flows), capitalization rates (for determining terminal values) and appropriate discount rates to determine a range of reasonable values. The valuation based on the inputs determined to be the most probable is used as the fair value of the investment.

The determination of fair value using these methodologies takes into account consideration of a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of judgment by the Organization.

Because the Organization is under no compulsion to dispose of its investments which are made with a view to a holding period of two years or more, the estimated values, as determined above, may not reflect amounts that could be realized upon immediate sale nor amounts that ultimately may be realized. Because of the inherent uncertainty of the valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Note 1. Summary of Significant Accounting Policies (Continued)

Investments in Marketable Securities: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position in accordance with SFAS No. 157. Any unrealized gains or losses are reported in the statements of activities as a change in unrestricted net assets, unless explicit donor intent or law restricts their use. Investments are recorded at fair value and are classified as Level 1, 2, or 3, accordingly (Note 18). As of June 30, 2009 and 2008, none of the investments in marketable securities were pledged.

Program Investments / Private Equity Investments: Program investments and private equity investments are recorded at estimated fair value since no public market exists for the investments (Level 3). Fair value is determined in good faith by the management of the Organization by taking into consideration the cost of the securities, prices of recent significant placements of securities by the same issuer, subsequent developments concerning the companies to which the securities relate, any financial data and projections of such companies provided to management, and such other factors as management may deem relevant.

Due to the fact that no public market currently exists for these types of investments, it is reasonably possible that the relevant factors considered in determining the estimate of fair value may change within the next year. As a result, it is possible that the estimated values may differ significantly from the amount that might be ultimately realized in the near term and the difference could be material.

Investments in Limited Partnerships: Non-controlling investments in limited partnerships are accounted for under the equity method of accounting under which the Organization's share of net income or loss is recognized in the statement of activities and added or subtracted from the investment account, and distributions received are treated as a reduction of the investment account.

Loans and Leases Receivable

Loans: Loans receivable are stated at the principal amount outstanding, net of deferred loan fees and allowance for losses. Interest income on loans is accrued on the principal outstanding at the loans' stated interest rate. The Organization accounts for loan origination fees in accordance with SFAS No. 91, *Accounting for Nonrefundable Fees and Costs Associated with Originating Loans and Initial Direct Costs of Leases.* Origination fees, net of direct origination costs, are deferred and amortized using the effective interest method over the respective lives of the related loans and were recorded as an adjustment to loan fee revenue.

Leases: All of the Organization's leases are classified and accounted for as direct financing leases.

Under the direct financing method of accounting for leases, the total lease payments receivable under the lease contracts and the estimated unguaranteed residual value of the leased equipment, net of unearned income, and an allowance for lease losses, are recorded as a net investment in direct financing leases and the unearned income is recognized each month as it is earned so as to provide a constant periodic rate of return on the unrecovered investment.

Non-Accrual of Loans and Leases: The accrual of interest on outstanding loans or leases is discontinued at the time the loan or lease is 90 days delinquent unless the credit is well secured and in process of collection. All interest accrued but not collected for is reversed against interest income. In all cases, loans and leases are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

Allowance for Loan and Lease Losses: The allowance for loan and lease losses is a valuation reserve that management believes will be adequate to absorb possible losses on existing loans and leases that may become uncollectible. It is established through a provision for loan and lease losses charged to expense. In addition, loans and leases deemed to be uncollectible are charged against the allowance. Subsequent recoveries, if any, are credited to the allowance. Loans in the Fresh Food Financing Initiative Program deemed to be uncollectable are recorded through a decrease in permanently restricted net assets. The allowance is based upon management's periodic review of the collectability of loans and is maintained at a level believed adequate by management to absorb estimated potential losses after considering changes in internal and external factors, past loss experience, the nature and volume of the portfolio and current economic conditions. However, the allowance is an estimate that could change if there are significant changes in the portfolio and/or economic conditions.

Note 1. Summary of Significant Accounting Policies (Continued)

The allowance consists of specific and general components. The specific component relates to loans that are classified impaired. For such loans, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers loans not deemed impaired and is based on historical loss experience adjusted for qualitative factors. These include internal factors such as trends in policies, underwriting standards, charge-offs, non-accruals and credit management processes, as well as external factors such as national and local economic conditions and industry trends. Any unallocated component of the allowance is minimal and reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan or lease is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan or lease and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is generally measured on a case by case basis using the fair value of the collateral, if the loan is collateral dependent, the present value of expected future cash flows discounted at the loans effective interest rate or the loan's observable market price.

Property Held for Development or Sale: Property held for development or sale is stated at cost or estimated net realizable value, whichever is lower. Cost includes land, land approval and improvement costs, direct construction costs, construction overhead costs and other indirect costs of development and construction. Housing construction and related costs are charged to cost of housing sales generally under the specific identification method.

Other Assets: Other assets include accounts receivable from third parties, prepaid expenses, and development costs for future projects.

Development costs for future projects includes costs which are related to the acquisition of land and the costs to obtain zoning and subdivision approvals, tax lien certificates, title searches, water abatement and deposit for future projects. Such costs are included in development costs for future projects until the Organization purchases the land. Non-recoverable costs are expensed as it becomes apparent to management the project as conceived will not be viable.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Organization, (2) the transferee obtains the right to pledge or exchange the transferred assets and no condition both constrains the transferee from taking advantage of that right and provides more than a trivial benefit for the transferor, and (3) the transferor does not maintain effective control over the transferred assets through either (a) an agreement that both entitles and obligates the transferor to repurchase or redeem the assets before maturity or (b) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

Non-Controlling Interest: Non-controlling interest represents the equity interests of UGP's limited partners, exclusive of TRF's limited partner interest.

Contributions: The Organization accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

When the donor restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 1. Summary of Significant Accounting Policies (Continued)

Contributions that the donor requires to be used to acquire long-lived assets are reported as temporarily restricted support. When long-lived asset restrictions expire (that is, when the economic benefits of the acquired assets are used up), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions over the estimated useful lives.

Contributions receivable, which represent unconditional promises to give, are recognized as revenue in the period awarded and as assets, decreases of liabilities or decreases of expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the net present value of the estimated cash flows beyond one year using a risk-free rate of return appropriate for the expected term of the promise to give.

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recorded when the conditions on which they depend are substantially met.

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

Equipment, Leasehold Improvements and Software: Equipment, leasehold improvements and software consists of furniture and equipment, leasehold improvements and software development costs that are stated at cost and depreciated using the straight-line method over the estimated lives of the related assets, which range from three to twelve years. Leasehold improvements are stated at cost and depreciated using the straight-line method over the shorter of the useful life or expected lease term. Software development costs are stated at cost and amortized using the straight-line method over the estimated useful life. Application development costs incurred to develop internal use software are capitalized and amortized over the expected useful life of the software application. Activities that are considered application development include design of software configuration and interfaces, coding, installation of hardware, and testing. All other expenses incurred to develop internal use software are expensed as incurred. The Organization capitalizes all fixed assets with a cost greater than $500 and useful life greater than one year.

Recent Accounting Pronouncements

1. The Organization adopted Financial Accounting Standards Board ("FASB") Statement No. 165, *Subsequent Events* effective June 30, 2009. This Statement establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued (*i.e.,* complete in a form and format that complies with generally accepted accounting principles ("GAAP") and approved for issuance). However, Statement No. 165 does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provide different guidance on the accounting treatment for subsequent events or transactions. There are two types of subsequent events to be evaluated under this Statement:

   Recognized subsequent events - An entity must recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements.

   Non-recognized subsequent events - An entity must not recognize subsequent events that provide evidence about conditions that did *not* exist at the date of the balance sheet but that arose after the balance sheet date but before financial statements are issued or are available to be issued. Some non-recognized subsequent events may be of such a nature that they must be disclosed to keep the financial statements from being misleading. For such events, an entity must disclose the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made.

   SFAS No. 165 also requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date - that is, whether that date represents the date the financial statements were issued or were available to be issued. SFAS No. 165 is effective for periods ending after June 15, 2009, and should be applied prospectively (Note 19).

Note 1. Summary of Significant Accounting Policies (Continued)

2. The FASB has published FASB Statement No. 166, *Accounting for Transfers of Financial Assets*, which is a revision to Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. Among other items, FASB No. 166 defines the term participating interest to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale. If the transfer does not meet those conditions, a transferor should account for the transfer as a sale only if it transfers an entire financial asset or a group of entire financial assets and surrenders control over the entire transferred asset(s) in accordance with the conditions in paragraph 9 of Statement No. 140, as amended by Statement No. 166.

   Statement No. 166 is effective at the beginning of a reporting entity's first fiscal year that begins after November 15, 2009. Earlier application is prohibited.

   Management does not expect that FASB No. 166 will have a significant impact on its financial position, results of operations and cash flows.

3. The FASB has issued an Exposure Draft of a proposed Statement, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. This proposed Statement would require a creditor to provide enhanced disclosure information that would allow financial statement users to understand the nature of credit risk inherent in the creditor's portfolio of financing receivables, how that risk is analyzed and assessed in arriving at the allowance for credit losses, and the changes, and reasons for those changes, in both the receivables and the allowance for credit losses.

   The proposed Statement applies to all financing receivables held by creditors, including all public and nonpublic entities (including not-for-profit organizations. The term "financing receivables" is defined as a contractual right to receive money on demand or on fixed or determinable dates that is recognized as an asset in the creditor's balance sheet, whether originated or acquired, with specific exclusions as defined in the Statement.

   If finalized, the proposed Statement would require disclosure of a creditor's accounting policies for estimating the allowance for credit losses, qualitative and quantitative information about the credit risk inherent in its financing receivables portfolio, the methods used in determining the components of the allowance for credit losses, and quantitative information about the change in receivables and the related allowance for credit losses. As such, the proposed Statement requires six major categories of required disclosures, the content of which must be disaggregated by two levels as detailed in the Statement.

   If finalized, the proposed Statement would be effective for financial statements beginning with periods ending after December 15, 2009. At the time the Statement is finalized the Organization will assess the effect of the Statement on its financial position, results of operations and cash flows.

4. In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition.

   In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected this deferral and accordingly will be required to adopt FIN 48 effective July 1, 2009. Prior to adoption of FIN 48, the Organization will continue to evaluate its uncertain tax positions and related income tax contingencies under Statement No. 5, *Accounting for Contingencies*. SFAS No. 5 requires the Organization to accrue for losses it believes are probable and can be reasonably estimated.

Note 1. Summary of Significant Accounting Policies (Continued)

On May 18, 2009, the FASB issued a proposed FASB Staff Position ("FSP"), which, if finalized, would amend FIN 48 to include guidance on the application of FIN 48 to tax-exempt not-for-profit entities and to eliminate certain disclosures for nonpublic entities. Proposed FSP FIN 48-d, *Application Guidance for Pass-through Entities and Tax- Exempt Non-for-Profit Entities and Disclosure Modification for Nonpublic Entities*, takes a principles-based approach to providing guidance on three issues related to the application of FIN 48 to tax-exempt not-for-profit entities. The overriding principle proposed in the FSP is that all entities are subject to FIN 48, even if the only tax position in question is the entity's status. Additionally, even if it is more likely than not that the entity's status as a tax-exempt not-for-profit entity would be sustained upon examination, the entity may have other tax positions to consider that fall within the scope of FIN 48. If finalized, the proposed FSP would be effective July 1, 2009. At the time the FSP is finalized the Organization will assess the effect of the FSP on its financial position, results of operations and cash flows.

Reclassifications: Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

Note 2. Investments in Marketable Securities

Investments at June 30 consisted of the following:

	2009	2008
Investments in marketable securities:		
U.S. Government and agency issues	$ 21,122,101	$ 18,798,842
Corporate debt securities	1,348,430	14,541,140
	$ 22,470,531	$ 33,339,982

	2009	2008
Included in the above are:		
Investments-marketable securities restricted as to use:		
U.S. Department of Education funds for		
charter school lending programs	$ 12,347,893	$ 12,177,679
SDF programs	5,213,109	7,543,977
	$ 17,561,002	$ 19,721,656

Investment net losses of $219,594 and $51,971 were included on the statement of activities under the investments captions as of June 30, 2009 and 2008, respectively.

Expenses relating to investment income, including custodial and advisory fees amounted to $44,331 and $83,293 for the years ended June 30, 2009 and 2008, respectively. These expenses have been netted against interest income from marketable securities in the respective statements of activities.

Note 3. Program Investments

Program investments at June 30 consisted of the following:

	2009	2008
The Community Development Trust, Inc.	$ 271,750	$ 334,750
People for People Community Development Credit Union	53,750	53,750
	$ 325,500	$ 388,500

For the years ended June 30, 2009 and 2008, net losses on program investments were $44,000 and $541,122, respectively.

Note 4. Grants and Contributions Receivable

Grants and contributions receivable at June 30 consisted of the following:

	2009	2008
Lending and Community Investing	$ 2,000,000	$ 10,192,213
Policy Solutions	386,250	230,000
PolicyMap	100,000	-
Development Partners	75,000	-
	$ 2,561,250	$ 10,422,213

Grants and contributions receivable are due in the normal course of the Organization's operations and are unsecured.

Grants and contributions receivable include receivables for a permanently restricted loan fund in the amount of $3,071,754 for the fiscal year 2008, and these are classified as noncurrent assets on the Consolidated Statement of Financial Position.

Note 5. Concentration of Credit Risk

The Organization maintains cash in various financial institutions with insurance provided by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times during the years ended June 30, 2009 and 2008, the Organization had cash balances in excess of the FDIC limits. At June 30, 2009, cash balances in excess of FDIC limits approximated $3,042,000. At June 30, 2009, total cash equivalents include short-term money market funds of approximately $20,164,000 which are separately collateralized by securities held by the financial institution. All other cash equivalents represent short-term government holdings.

Note 5. Concentration of Credit Risk (Continued)

At June 30, 2009, most of the Organization's loans receivable were due from various nonprofit organizations, charter schools, supermarkets, and housing developers primarily in the greater Philadelphia region. Additionally, at June 30, 2009, the Organization's portfolio of housing, supermarkets, and charter school loans constituted 30.2%, 16.0%, and 22.7% of total loans outstanding, respectively. As such, the ability of the Organization's borrowers to honor their contracts is dependent upon the viability of the nonprofit organizations, supermarkets, charter schools and the real estate sectors in this region.

Note 6. Loans and Leases Receivable

Loans and leases receivable at June 30 consisted of the following:

	2009	2008
Housing	$ 43,241,626	$ 45,357,171
Community facilities	37,622,799	31,900,436
Commercial real estate	52,469,406	31,066,382
Energy and small business	9,819,570	5,488,333
Deferred loan fees	180,312	16,475
	143,333,713	113,828,797
Allowance for loan and lease losses	(9,039,040)	(5,692,264)
	$ 134,294,673	$ 108,136,533

Housing loans finance a diverse group of borrowers including nonprofit community-based organizations, nonprofit and for-profit developers, and special needs housing providers through term, construction, acquisition, and predevelopment lending. Housing pre-development loans receivable totaled $5,764,780 and $5,321,524 at June 30, 2009 and 2008, respectively. The housing predevelopment loans carry interest rates of 0.00% to 7.50% and are funded primarily from donor-restricted contributions.

Community Facilities loans include loans to charter schools, day-care centers, other not-for-profit organizations, and loans to promote energy efficiency.

Commercial Real Estate loans include approximately $16,800,000 in loans related to the Pennsylvania Fresh Food Financing Initiative ("FFFI"), of this, approximately $12,000,000 are pledged against the FFFI syndicated credit facility with JP Morgan Chase (Note 12). Also included in Commercial Real Estate loans are non-residential real estate loans totaling approximately $7,000,000 relating to TC-TRF QEI, LLC, the limited partner in TRF NMTC Fund IV, L.P.

Energy and small business loans and leases include small business loans, some with portions guaranteed by the Small Business Administration, and loans and leases originated by SDF.

Outstanding loans other than pre-development loans have annual interest rates ranging from 1.00% to 17.80%. At June 30, 2009, approximately 19% of these loans receivable have variable interest rates which are indexed to the prime rate and/or LIBOR. Loans and leases receivable have various maturities through 2028.

SDF leases various energy saving fixtures to two lessees in the healthcare industry. The leases expire over a ten year period. At June 30, 2009, total minimum lease payments receivable were $620,597.

Approximately $14,186,000 and $15,600,000 at June 30, 2009 and 2008, respectively, in CLI loans are pledged against the CLI syndicated credit facility with JP Morgan Chase (Note 12).

Note 6. Loans and Leases Receivable (Continued)

Information about impaired loans and non-accrual loans as of June 30 is as follows:

	2009	2008
Impaired loans with a valuation allowance	$ 14,146,989	$ 4,362,898
Impaired loans without a valuation allowance	290,873	2,890,172
Total impaired loans	$ 14,437,862	$ 7,253,070
Related allowance for loan losses	$ 2,604,936	$ 1,374,209
Non-accrual loans (included in total impaired loans)	$ 13,253,496	$ 4,063,133
Average investment in impaired loans	$ 14,352,124	$ 5,302,205
Interest income recognized on impaired loans	$ 743,605	$ 431,003
Interest income recognized on a cash basis on impaired loans	$ 676,126	$ 182,685

TRF's exposure with respect to impaired loans is reduced by $221,596 and $282,449 at June 30, 2009 and 2008, respectively, for amounts guaranteed by the SBA.

Note 7. Allowance for Losses

The following table presents the changes in the allowance for losses:

	2009	2008
Balance at July 1	$ 5,692,264	$ 4,579,643
Add: Provision		
Unrestricted	3,887,986	1,217,388
Reduction in permanently restricted net assets	930,381	546,956
	4,818,367	1,764,344
Recoveries	19,843	182,988
Less: Charge-offs	(1,491,434)	(834,711)
	3,346,776	1,112,621
Balance at June 30	$ 9,039,040	$ 5,692,264

The provision includes $483,425 relating to loans charged off in the PCD program (Note 13) and $446,956 relating to loans charged off in the FFFI Program and recorded through a decrease in permanently restricted net assets (Note 13) for the year ended June 30, 2009. The provision also includes $546,956 relating to loans charged off in the FFFI Program and recorded through a decrease in permanently restricted net assets (Note 13) for the year ended June 30, 2008.

Note 8. Investments in Limited Partnerships

Investments in limited partnerships are accounted for under the equity method and at June 30 consisted of the following:

	2009	2008
New Markets Tax Credit Program		
TRF NMTC Fund I, L.P.	$ 12	$ 12
TRF NMTC Fund II, L.P.	(12)	(10)
TRF NMTC Fund III, L.P.	1,014	1,012
TRF NMTC Fund IV, L.P.	3,958	3,976
TRF NMTC Fund V, L.P.	111	110
TRF NMTC Fund VI, L.P.	1,609	1,615
TRF NMTC Fund VII, L.P.	672	-
TRF NMTC Fund VIII, L.P.	901	-
	8,265	6,715
Other		
Charter School Capital Access Program, LLC (a)	27,310	22,998
Charter School Financing Partnership (b)	10,518	60,000
Octavia Hill Bel-Air Partners, L.P. (c)	231,132	409,608
Octavia Hill Chelten Partners, L.P. (d)	437,618	472,818
Pennsylvania Advanced Industrial Technology, L.P. (e)	1,091,396	1,075,675
	1,797,974	2,041,099
	$ 1,806,239	$ 2,047,814

New Markets Tax Credit Program: During fiscal years 2009, 2007 and 2005, TRF received a New Markets Tax Credit Program ("Program") allocation of $75,000,000, $75,000,000 and $38,500,000, respectively. Pursuant to the requirements of the Program, administered by the Community Development Financial Institution Fund ("CDFI Fund"), a division of the US Department of Treasury, TRF formed a for-profit entity TRF NMTC Fund, LLC ("NMTC"). NMTC is the general partner in TRF NMTC Fund I, L.P., TRF NMTC Fund II, L.P., TRF NMTC Fund III, L.P., TRF NMTC Fund IV, L.P., TRF NMTC Fund V, L.P., TRF NMTC Fund VI, L.P., TRF NMTC Fund VII, L.P. and TRF NMTC Fund VIII, L.P., (collectively the "NMTC Funds") with a 0.01% ownership interest in each entity. TRF's general partnership ownership in the NMTC structure does not require consolidation of the NMTC Funds as prescribed by the related authoritative accounting pronouncements. The information below, as it relates to the total assets, liabilities and net income amounts, is for information purposes and is not consolidated in TRF's financial statements. The Organization received fees of approximately $756,000 and $683,500 for the years ended June 30, 2009 and 2008, respectively, for administrative services performed for the NMTC Funds. These amounts are included in asset management fees on the statements of activities. In connection with the formation of TRF NMTC VII, L.P. and TRF NMTC VIII, L.P., the Organization received fees of approximately $935,200 in fiscal year 2009. In connection with the formation of TRF NMTC VI, L.P., the Organization received fees of approximately $484,600 in fiscal year 2008. These amounts are included in program services and fees on the statements of activities. In fiscal years 2010 through 2044, TRF and NMTC expect to receive additional fees from NMTC Funds, in part, for ongoing reporting on compliance within the requirements of the Program, as defined in the Program agreement.

Note 8. Investments in Limited Partnerships (Continued)

Selected financial information as of June 30 for each of the NMTC funds is as follows:

	2009	2008
TRF NMTC Fund, I, L.P.		
Total Assets	$ 5,022,218	$ 5,016,790
Total Liabilities	$ -	$ -
Net Income	$ 141,858	$ 275,823
TRF NMTC Fund, II, L.P.		
Total Assets	$ 21,433,402	$ 21,453,058
Total Liabilities	$ 125	$ 125
Net Income	$ 1,684,745	$ 1,710,791
TRF NMTC Fund, III, L.P.		
Total Assets	$ 10,097,161	$ 10,086,213
Total Liabilities	$ -	$ -
Net Income	$ 311,244	$ 597,421
TRF NMTC Fund, IV, L.P.		
Total Assets	$ 39,830,428	$ 40,074,329
Total Liabilities	$ 255,000	$ 317,175
Net Income	$ 2,291,503	$ 2,248,240
TRF NMTC Fund, V, L.P.		
Total Assets	$ 19,915,781	$ 19,915,780
Total Liabilities	$ -	$ -
Net Income	$ 1,322,282	$ 1,286,307
TRF NMTC Fund, VI, L.P.		
Total Assets	$ 16,121,825	$ 16,200,118
Total Liabilities	$ 26,921	$ 48,063
Net Income	$ 500,234	$ 164,483
TRF NMTC Fund, VII, L.P.		
Total Assets	$ 6,728,498	$ -
Total Liabilities	$ 6,225	$ -
Net Income	$ 55,837	$ -
TRF NMTC Fund, VIII, L.P.		
Total Assets	$ 9,018,406	$ -
Total Liabilities	$ 4,983	$ -
Net Income	$ 12,523	$ -
Total		
Total Assets	$ 128,167,719	$ 112,746,288
Total Liabilities	$ 293,254	$ 365,363
Net Income	$ 6,320,226	$ 6,283,065

Note 8. Investments in Limited Partnerships (Continued)

Other: The fiscal year of the following entities ends on December 31 and TRF consistently follows the practice of recognizing income on that basis.

a) Charter School Capital Access Program, LLC ("CCAP") is a limited liability company formed for the purpose of implementing a credit enhancement program for charter school debt financing made possible by a $6,400,000 equity grant from the United States Department of Education. TRF's financial exposure as a member of CCAP is limited to capital contributed. As of June 30, 2009, TRF has $0 capital contributed. Under the operating agreement, any earnings on the equity grant are excluded from operating income and any remaining operating income is allocated 50.00% to TRF. At December 31, 2008 and 2007, CCAP reported total assets of $21,479,472 and $22,134,681, total liabilities of $14,448,195 and $15,252,471, and members' equity of $7,031,277 and $6,882,210, respectively. For the years ended December 31, 2008 and 2007, CCAP reported net income of $149,067 and $451,734, respectively. The net income, other than income attributed to earnings on the grant, is allocated 50.00% to TRF, and earnings allocated to TRF for the years ended December 31, 2008 and 2007, was $4,313 and $22,998 respectively.

b) Charter School Financing Partnership ("CSFP") is a limited liability company organized to facilitate the financing of charter schools by aggregating pools of loans, including those with external credit enhancements, which are then stratified by risk-return and maturity characteristics and sold to investors in the form of bonds. In February 2008, TRF purchased $60,000 in Class "A" units, which represents a 20% voting interest in CSFP. TRF will be required to invest in bonds aggregated by CSFP. The company was formed in November 2007. At December 31, 2008, CSFP reported total assets of $15,260,996, total liabilities of $14,935,894 and members' equity of $325,102. For the year ended December 31, 2008 CSFP reported a net loss of $274,898. TRF recorded a decrease of equity earnings of $49,482.

c) Octavia Hill Bel-Air Partners, L.P. ("Bel-Air") is a limited partnership formed for the purpose of purchasing and operating multifamily residential rental buildings. TRF's non-controlling limited partnership interest in Bel-Air represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first $125,000 of losses; thereafter, TRF will be allocated 80.25% of net income or 89.32% of losses. TRF recorded a decrease in equity earnings of $178,476 and $114,305 during the years ended June 30, 2009 and 2008, respectively. At December 31, 2008 and 2007, respectively, Bel-Air reported total assets of $1,827,200 and $1,902,597, total liabilities of $1,568,479 and $1,444,060, and partners' equity of $258,721 and $458,537. For the years ended December 31, 2008 and 2007, Bel-Air reported net losses of $199,816 and $127,973, respectively.

d) Octavia Hill Chelten Partners, L.P. ("Chelten Arms") is a limited partnership formed for the purpose of purchasing and operating a housing rental building. TRF's non-controlling limited partnership interest in Chelten Arms represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first $75,000 of losses; thereafter, TRF will be allocated 80.25% of net income or 84.05% of losses. TRF recorded a decrease in equity earnings of $35,200 and $30,663 during the years ended June 30, 2009 and 2008, respectively. At December 31, 2008 and 2007, respectively, Chelten Arms reported total assets of $1,493,135 and $1,559,805, total liabilities of $972,483 and $997,274, and partners' equity of $520,652 and $562,531. For the years ended December 31, 2008 and 2007, Chelten Arms reported net losses of $41,879 and $36,481, respectively.

e) At June 30, 2009 and 2008, TRF had an investment in Pennsylvania Advanced Industrial Technology Fund, L.P. ("PAIT") of $1,091,395 and $1,075,675, respectively. This limited partnership is designed to provide managerial and capital investments in early stage renewable and/or clean energy companies. TRF's limited partnership interest in PAIT represents 90% of the total partnership at December 31, 2008 and 2007. TRF accounts for its investment in PAIT under the equity method and accordingly, recorded an increase in equity earnings of $162,281 and $3,959 for the years ended June 30, 2009 and 2008, respectively. Total committed capital to PAIT is $2,000,000, of which $1,955,500 has been called and paid through June 30, 2009, including $43,000 paid in fiscal year 2009. At December 31, 2008 and 2007, PAIT reported total assets and partners' equity of $1,227,624 and $1,697,940, respectively. PAIT reported net income of $179,773 and $4,397 for the years ended December 31, 2008 and 2007, respectively. In January of 2008, PAIT sold one of its investments and TRF received a cash distribution of $463,575, which is reflected in the balance as of June 30, 2008.

Note 9. Private Equity Investments

The private equity investments are held by UGP. UGP incurs an annual asset management fee equal to 2.50% of the capital committed to UGP, as defined, payable quarterly to Private Equity for its services to UGP for the first five years and thereafter at 2.25% of the unreturned capital account, as defined, effective October 1, 2006. Private Equity serves as the Management Company to UGP to provide general and administrative services and general consulting services in connection with UGP's investment activities. Private Equity earned asset management fees of $587,436 and $556,086 from UGP for the years ended June 30, 2009 and 2008, respectively, which have been eliminated in the consolidated financial statements. The term of the partnership agreement is ten years from the final closing date, December 31, 2002, as defined in the partnership agreement, unless extended by the General Partner for up to two consecutive one-year periods with the approval of the Limited Partners Advisory committee. At June 30, 2009, the fair value of the Organization's investment in UGP was $784,619.

Private equity investments at June 30, at estimated fair value (Note 1), consisted of the following:

	Balance at July 1, 2008	Purchases & Capitalized Interest	Sales, Repayments & Dispositions	Valuation Adjustments	Balance at June 30, 2009
Baltimore Dredge Enterprises, LLC (a)	$ 175,000	$ -	$ (175,000)	$ -	$ -
Bulova Technologies, LLC (b)	-	-	-	-	-
Flagzone, LLC (c)	3,183,029	269,741	-	-	3,452,770
MidAtlanticBroadband, Inc. (d)	1,200,000	-	-	-	1,200,000
Ricochet Manufacturing Company, Inc. (e)	1,969,753	187,500	-	(969,753)	1,187,500
Sun & Earth, Inc. (f)	1,180,302	150,000	-	(231,059)	1,099,243
Verilaw Technologies, Inc. (g)	-	-	(1,267)	1,267	-
	$ 7,708,084	$ 607,241	$ (176,267)	$ (1,199,545)	$ 6,939,513

a) Baltimore Dredge Enterprises, LLC ("Baltimore Dredge") is a Baltimore, MD based manufacturer of small and medium sized dredging equipment. The investment was comprised of a subordinated long-term promissory note as of June 30, 2008. The note was paid in full in August 2008.

b) Bulova Technologies, LLC located in Lancaster, PA, was a contract electronics manufacturer. The company manufactured and assembled precision electronic, electromechanical and mechanical assemblies and systems. The investment at June 30, 2008 was comprised of subordinated debt with an aggregate cost of $2,677,310 and warrants to subscribe for 2,303 units of class "A" preferred membership interest. In October 2008, the senior lender foreclosed on all the assets of the company. The liquidation proceeds were insufficient to cover the senior debt. Accordingly, during the year ended June 30, 2009, UGP recorded realized losses of $2,677,310 and a reversal of unrealized losses of $2,677,310 on its investment in Bulova Technologies, LLC.

c) Flagzone, LLC, located in Pottstown, PA, is a manufacturer and distributor of U.S., State, foreign, and decorative and custom flags and banners. The investment at June 30, 2009 is comprised of subordinated debt with an aggregate cost and estimated fair value of $702,770; 302,500 units of preferred A units with a cost and estimated fair value of $2,750,000; 3,100 units of preferred B units with a cost and estimated fair value of $0; and 20,000 mezzanine units. The mezzanine units have not been separately valued but have been considered in determining the estimated fair value.

d) MidAtlanticBroadband, Inc., located in Baltimore, MD, is a facilities based provider of telecommunication services. The investment at June 30, 2009 is comprised of subordinated debt with an aggregate cost of $2,500,000 and warrants to purchase 4,386,375 shares of common stock at an exercise price of $0.01 per share. Estimated fair value of the investment at June 30, 2009 is $1,200,000.

Note 9. Private Equity Investments (Continued)

e) Ricochet Manufacturing Company, Inc., located in Philadelphia, PA, is the leading designer and manufacturer of clothing intended to provide protection against exposure to blood borne viruses (pathogens) for the EMS market. The Investment in Ricochet Manufacturing at June 30, 2009 is comprised of 6,093,599 shares of Series "C" preferred stock, convertible into common stock, as defined, with a cost of $3,289,024 and estimated fair value of $0; 2,000,000 shares of Series "D" preferred stock, convertible into common stock, as defined, with a cost and estimated fair value of $500,000; 3,125,000 shares of Series "E" preferred stock, convertible into common stock, as defined, with a cost and estimated fair value of $500,000; unsecured promissory notes due on demand with a cost and estimated fair value of $187,500; warrants to subscribe for 4,361 shares of Series "A" convertible preferred stock expire September 2013. These warrants may be exercised at $0.01 per share, subject to adjustment. These warrants have not been separately valued but have been considered determining the estimated fair value of the investment. During the year ended June 30, 2009, UGP recorded unrealized losses of $969,753 on its investment in Ricochet Manufacturing Company, Inc.

f) Sun & Earth, Inc. manufactures the leading brand of all-natural cleaning products from its plant in Norristown, PA. The Sun & Earth brand presently includes six different liquid cleaning product categories. The Investment at June 30, 2009 is comprised of subordinated debt with an aggregate cost and estimated fair value of $500,000; 6,749 shares of class "A" common stock with a cost of $1,417,367 and an estimated fair value of $0; 2,396,972 shares of class "C" preferred stock with a cost of $830,235 and estimated fair value of $599,243 and warrants to purchase 83,650 shares of class "A" common stock. The warrants have not been separately valued but have been considered in determining the estimated fair value of the investment. During the year ended June 30, 2009, UGP recorded unrealized losses of $231,059 on its investment in Sun & Earth, Inc.

g) Verilaw Technologies, Inc., located in Wayne, PA, provides electronic filing and document distribution service to major law firms and court systems around the country. During the year ended June 30, 2009, UGP received its final distribution of escrow from its exit of Verilaw Technologies, Inc. and recorded realized gains of $1,267.

Note 10. Equipment, Leasehold Improvements and Software, net

Equipment, leasehold improvements and software, net at June 30 consisted of the following:

	2009	2008
Office furniture and equipment	$ 1,390,009	$ 1,260,398
Leasehold improvements	865,678	865,678
Software development	1,646,697	934,771
Accumulated depreciation	(2,176,210)	(1,512,858)
	$ 1,726,174	$ 1,547,989

Depreciation and amortization expense of $663,352 and $311,356 was recorded for the years ended June 30, 2009 and 2008, respectively.

Note 11. Recoverable Grant Payable

The Organization was awarded conditional grants of $10,000,000 each in fiscal year 2005, 2006 and 2007, from the Pennsylvania Department of Community and Economic Development for the Fresh Food Financing Initiative, which supports the development of supermarkets and other fresh food retailers in under-served urban and rural communities, totaling $30,000,000. Cash totaling $30,000,000 and $21,200,000 has been advanced as of June 30, 2009 and 2008, respectively. Under the terms of these grants, TRF must raise at least $90,000,000 of matching funds within a five-year period. In the years ended June 30, 2009 and 2008, the Organization has raised $8,667,980 and $33,220,521 in matching funds, respectively and as such, has recognized $5,366,622 and $9,296,879 of contribution revenue during the years ended June 30, 2009 and 2008, respectively. At June 30, 2009, cumulative matching funds raised totaled $90,000,000 and the related cumulative revenue recognized is $30,000,000. The recoverable grant payable of $758,840 for the year ended June 30, 2008 represents the balance of the grant funds received and matched in the year ended June 30, 2009.

Note 12. Loans Payable

Loans payable at June 30 consisted of the following:

	2009		2008	
	Current	Noncurrent	Current	Noncurrent
Government (a)	$ 285,714	$ 4,380,769	$ 214,286	$ 1,421,428
Financial institutions and corporations (b)	32,749,575	77,289,234	4,330,608	70,801,375
Foundations, religious, and civic organizations (c)	7,411,379	22,388,442	7,486,721	17,949,426
Individuals (d)	1,179,352	4,027,137	974,297	4,185,027
	$ 41,626,020	$ 108,085,582	$ 13,005,912	$ 94,357,256

a) Government debt included amounts due to government agencies and their affiliates:

1. Government debt includes a loan payable to the Pennsylvania Community Development Bank ("PCDB") which includes two advances to fund small businesses, economic development and community facilities. Principal and interest are due quarterly. The interest rates are 3.86% and 4.085%. These loans are unsecured. At June 30, 2009 and 2008, the Organization had approximately $571,000 and $786,000, respectively, outstanding related to PCDB debt.

2. TRF has two conditionally forgivable loans outstanding with Maryland's Department of Housing and Community Development, totaling $350,000 with rates at 0% as of June 30, 2009. Development Partners has a loan outstanding with Maryland's Department of Housing and Community Development, totaling $750,000 with a rate of 2.00% as of June 30, 2009. These loans were advanced within the years ended June 30, 2009 and 2008 to further our community development work in the Baltimore area, and mature in the year 2018.

3. Development Partners has a conditionally forgivable loan outstanding with the New Jersey Housing and Mortgage Finance Agency for approximately $2,600,000 with a rate of 0% at June 30, 2009. The loan was advanced in the year ended June 30, 2009 for community development work in the Neptune, New Jersey area and matures in 2014.

Note 12. Loans Payable (Continued)

b) Financial institutions and corporations debt includes amounts due to banks and other financial institutions as follows:

1. Bank debt includes amounts due to various local, regional and national financial institutions. The debt has various maturity dates ranging from June 2009 through February 2021, with annual fixed and variable interest rates ranging from 0% to 7.22%. Interest is payable monthly, quarterly, semi-annually and annually, as defined.

2. CLI has a credit facility with an interim lender (JPMorgan Chase Bank) and a group of syndicated lenders, for which JPMorgan Chase Bank acts as the agent. The facility was amended and restated effective July 15, 2009. The arrangement provides for the following:

   a. An interim lender commitment, with JPMorgan Chase Bank, of $10,000,000 which expires on June 30, 2010. No amounts were outstanding under this commitment as of June 30, 2009 and 2008.

   b. Syndicated lenders commitments with 13 banks that terminate on June 30, 2013. The aggregate amount of these commitments as of June 30, 2009 is $25,080,000. As of June 30, 2009 and 2008, $10,771,021 and $17,600,000, respectively, was outstanding, at the WSJ Prime Rate (3.25% at June 30, 2009), minus 1.00%.

   Under the terms of the amended and restated agreement, CLI may borrow funds during the revolving credit period which ends June 30, 2010, up to six times in any calendar quarter, in minimum increments of $100,000. Borrowings under the agreement are due and payable by June 30, 2013 with no penalty for early prepayment. Interest on the syndicated facility is payable quarterly at a rate per annum equal to the election of the Prime Rate or adjusted London Interbank Offered Rate ("LIBOR") subject to a floor of 4.00%:

12 months	Prime	LIBOR plus 2.50%
24 months	Prime plus 0.50%	LIBOR plus 3.00%
36 months	Prime plus 1.00%	LIBOR plus 3.50%

c) Foundations, religious, and civic organizations debt is detailed as follows:

1. Foundation debt includes amounts due to various philanthropic foundations. The debt has various maturity dates ranging from June 2009 through June 2019, with annual interest rates ranging from 0.00% to 5.00%. Notes payable totaling $250,000 became due at June 30, 2009 awaiting renewal notification. Interest is payable quarterly, semi-annually, and annually, as defined.

2. Religious organization notes payable include amounts due to various faith-based associations. The debt has various maturity dates ranging from June 2009 through December 2023, with annual interest rates ranging from 0.00% to 5.50%. Notes payable totaling $16,000 became due at June 30, 2009 awaiting renewal notification. Interest is payable semi-annually and annually, as defined.

3. Notes payable due to civic organizations have various maturity dates ranging from June 2009 through February 2019, with annual interest ranging from 2.00% to 5.50%. Notes payable totaling $10,000 became due at June 30, 2009 awaiting renewal notification. Interest is payable quarterly, semi-annually, and annually, as defined.

d) Loans payable to individuals include amounts due to various individuals, including employees of the Organization. The debt has various maturity dates ranging from June 2009 through June 2024, with annual interest rates ranging from 0.00% to 5.75%. Notes payable totaling $153,900 became due at June 30, 2009 awaiting renewal notification. Interest is payable semi-annually and annually, as defined.

Note 12. Loans Payable (Continued)

The Organization has certain debt agreements that contain financial covenants requiring the Organization to maintain minimum cash and investment balances and certain financial ratios. As of June 30, 2009, TRF was out of compliance with certain financial covenants and received waivers from the affected lenders for the covenant violations. However, for financial statement presentation $18,900,000 was reclassified from noncurrent to current loans payable.

Loans payable include secured loans of approximately $20,590,000.

Aggregate maturities for loans payable at June 30, 2009 are as follows:

2010	$ 41,626,020
2011	18,000,736
2012	16,483,964
2013	10,318,673
2014	23,775,355
Thereafter	39,506,854
	$ 149,711,602

As of June 30, 2009, the Organization has available undrawn debt facilities of approximately:

Lender	Total Debt Facility	Debt Facility Type	Available undrawn at June 30, 2009
JP Morgan Chase (agent)	$ 25,080,000	Syndicated bank revolving line of credit	$ 14,309,000
Fannie Mae	15,000,000	Line of credit and term loan facility	452,000
Fannie Mae	10,000,000	Line of credit	10,000,000
Merrill Lynch	10,000,000	Non-revolving line of credit	4,375,000
Chase New Markets Corp.	5,000,000	Non-revolving line of credit	700,000
Living Cities Catalyst Fund	2,000,000	Non-revolving line of credit	1,800,000
MD Dept. of Housing and Community Development	270,000	Non-revolving line of credit	270,000
Crozer-Keystone Health System	1,000,000	Term loan	667,000
Widener University	1,000,000	Term loan	667,000
North Fork Bank	500,000	Revolving line of credit	500,000
	$ 69,850,000		$ 33,740,000

Note 13. Net Assets

Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. At June 30, 2009 and 2008, unrestricted net assets of $10,178,688 and $10,108,082, respectively, were contractually limited as to use by SDF.

Temporarily restricted net assets are those net assets whose use by the Organization is limited by donor to be used for specified purpose (purpose restrictions) or restricted to be used in a later period or after a specified date (time restrictions).

Note 13. Net Assets (Continued)

Temporarily restricted net assets at June 30 consisted of the following:

	2009	2008
Purpose Restricted		
Lending and Community Investing	$ 23,460,674	$ 18,003,681
Sustainable Development Fund - Contractually limited as to use	1,130,177	1,726,818
Policy Solutions	1,392,351	2,397,239
PolicyMap	159,583	-
Development Partners	75,000	7,872
	26,217,785	22,135,610
Time Restricted		
Long-lived assets	91,667	141,667
	$ 26,309,452	$ 22,277,277

Temporarily restricted for Lending and Community Investing includes $13,325,059 and $13,094,600 for the years ended June 30, 2009 and 2008, respectively, that TRF received from the U.S. Department of Education ("US ED") plus earned interest, to leverage funds through credit enhancement initiatives in order to assist charter schools in using private sector capital to acquire, construct, or renovate charter school facilities.

At June 30, 2009, the temporarily restricted for Lending and Community Investing includes $3,522,612 of funds held for conditional grants committed to third parties for approved Fresh Food Financing Initiative projects and $2,000,000 of Financial Assistance from Community Development Financial Institution Fund (CDFI) pursuant to funding authority through the American Recovery and Reinvestment Act of 2009.

Permanently restricted net assets represent grants and contributions received subject to donor restrictions that are primarily for use in the Organization's permanent revolving loan funds. Per the terms of the Fresh Food Financing Initiative ("FFFI") Program (Note 11), charge-offs in the revolving loan fund decreased permanently restricted net assets by $446,956 and $546,956 for the years ended June 30, 2009 and 2008, respectively. At June 30, 2009, the decrease in permanently restricted net assets includes $483,425 of charge-offs in the revolving loan fund for the Pennsylvania Community Development ("PCD") Bank Program.

In the years ended June 30, 2009 and 2008 respectively, $478,252 and $4,496,754 of permanently restricted revenue was recognized as match requirements were met on the FFFI award (Note 11). The Organization received contributions of $2,300 and 542,814 for the years ended June 30, 2009 and 2008, respectively, to be used for the permanent revolving loan funds. In the year ended June 30, 2009, $2,000,000 of William Penn Foundation debt converted into permanently restricted net assets in the revolving loan fund to finance community development in Philadelphia and Camden neighborhoods.

Reclassifications of funds from permanently restricted to temporarily restricted net assets include $1,246,522 for interest income on deposits in the FFFI Program. The interest income reclassification, stipulated by the donor during the year ended June 30, 2009, are to be utilized by the Organization in furtherance of the activities authorized under the FFFI Program.

Income earned from grants and contributions is recorded within unrestricted, temporarily restricted or permanently restricted net assets, as defined in individual agreements.

Note 14. Sustainable Development Fund

SDF is a separate fund of TRF. SDF is guided by a seven-member Board of Directors nominated by the parties to the PECO Energy restructuring and approved by the PUC. SDF's Board provides oversight to SDF's activities including input to, review and approval of business plans, annual program plans and operating budgets.

In connection with the creation of SDF, SDF agreed to comply with certain contractual restrictions on the use of the Fund's available net assets. As such, all net assets of SDF are considered contractually limited as to use. All Fund receipts, including contributions, principal repayments and interest earnings on loans made by the Fund, earnings on equity and near equity investments, and interest earnings, are required to be maintained in SDF. SDF is authorized to make disbursements for loans, equity and near equity investments, grants and approved annual operating program expenses. The Fund is also subject to certain annual reporting requirements.

On October 20, 2000, Philadelphia's PECO Energy Company and the Unicom Corporation of Chicago merged to form the Exelon Corporation. As a result of the merger, Exelon agreed to accelerate the payments otherwise due to SDF based on electricity consumption in the PECO Energy service territory. Exelon paid SDF a lump sum payment of $9,980,000 on January 1, 2001, representing estimated collections based on electricity consumption during the period January 1, 2001 through December 31, 2006.

In connection with the merger agreement, Exelon made contributions to SDF, over a five year period from October 20, 2000 to January 1, 2005, for the following purposes:

1) Photovoltaic Project - Contribution of $4,000,000 to fund a four year photovoltaic (solar electricity) project to purchase, install, finance and/or write down the cost of the minimum number of rooftop units in each year of the project.

2) New Pennsylvania Wind Facilities - Contribution of $12,000,000 for the development of new wind powered generation projects in Pennsylvania.

3) Renewable Education - Contribution of $2,500,000 to help fund consumer education on electricity from renewable sources, including environmental, financial and technical considerations.

During the years ended June 30, 2009 and 2008, net assets released from restriction for SDF totaled $596,641 and $2,958,078, respectively. SDF did not incur any fundraising expenses.

Audited financial statements for SDF are available at TRF's offices.

Note 15. Functional Expenses

The management and general category includes fundraising expenses, which are approximately $11,163 and $58,000 for the years ended June 30, 2009 and 2008, respectively.

Note 16. Commitments and Contingencies

The Organization leases its offices and certain office equipment under non-cancelable operating leases. The Organization's future annual minimum payments under these leases, net of sublease income, are $382,463, $371,552, $149,310, $152,311, $155,312 and $12,964 for the years ending June 30, 2010, 2011, 2012, 2013, 2014, and 2015, respectively. Rent expense, net of subleases, was $364,908 and $343,947 for the years ended June 30, 2009 and 2008, respectively.

Note 16. Commitments and Contingencies (Continued)

At June 30, 2009, SDF had approximately $593,000 in conditional grants committed to third parties. Disbursements under these commitments are expected to occur in the next fiscal year or when the conditions as defined in the grant agreements are substantially met.

At June 30, 2009, the Organization had approximately $27,000,000 of loans closed but not yet disbursed and $18,800,000 of loan commitments, net of participations. Loan commitments represent arrangements to lend funds at specified interest rates and contain fixed expiration dates or other termination clauses.

Under the amended and restated CLI credit facility (Note 12), TRF acts as guarantor for any loans outstanding under the facility; however, the maximum amount TRF is obligated to pay shall not exceed 25.00% of the aggregate loan balance. The maximum dollar amount that TRF is liable for under this agreement as of June 30, 2009 is approximately $2,560,700.

At June 30, 2009, the Organization had committed capital to UGP in the amount of $4,850,000, of which $2,788,750 has been called and paid. During the remaining term of the partnership, the General Partner does not intend to call more than 80% of the total committed capital.

At June 30, 2009, TRF had committed capital to PAIT in the amount of $2,000,000, of which $1,955,500 has been called and paid.

At June 30, 2009, TRF had unconditional outstanding letters of credit totaling approximately $2,327,000. These letters of credit have maturity dates ranging from July 2009 to June 2014.

At June 30, 2009, TRF had approximately $2,948,000 of loan commitments outstanding to CCAP.

During the year ended June 30, 2009, in connection with the NMTC program, TRF NMTC Fund VII, LP ("Lender") issued three notes to The Learning Community Charter School ("Debtor"). TRF ("Guarantor") unconditionally guarantees the punctual payment of all sums due on one of these notes in the amount of $4,840,750 plus any expenses of collection of the note including reasonable attorneys' fees. This guaranty requires that the Lender cause the full depletion of the US ED proceeds in the amount of $974,850, prior to pursuing any remedy against the Guarantor. These US ED proceeds also secure the Debtor's obligations under the note.

Note 17. Retirement Plan

The Organization offers all eligible employees the opportunity to participate in a 401(k) tax deferred annuity plan whereby employees may elect to contribute through payroll deduction amounts subject to statutory maximums. The plan provides for a discretionary match of dollar for dollar of up to 6.00% of the employees' compensation. The Organization contributed $348,466 and $311,270 for the years ended June 30, 2009 and 2008, respectively.

Note 18. Fair Value

Fair Value on a Recurring Basis

Investment in Marketable Securities: The fair value of investment in marketable securities is the market value based on quoted market prices, when available (Level 1). If listed prices or quotes are not available, fair value is based upon quoted market prices for similar or identical assets or other observable inputs (Level 2); or fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment (Level 3).

Program Investments: The fair value of program investments is based on mark-to-market valuation information available to the general partner and program managers at June 30, 2009.

Note 18. Fair Value (Continued)

Private Equity Investments: The fair value of private equity investments is determined in good faith by the management of the Organization by taking into consideration the cost of the securities, prices of recent significant placements of securities by the same issuer, subsequent developments concerning the companies to which the securities relate, any financial data and projections of such companies provided to management, and such other factors as management may deem relevant.

The following presents the assets and liabilities reported on the Statement of Financial Position at their fair value as of June 30, 2009 by level within the SFAS No. 157 fair value measurement hierarchy.

	June 30, 2009			
	Total	Level 1	Level 2	Level 3
Investment in marketable securities	$ 22,470,531	$ 955,792	$ 21,477,864	$ 36,875
Program investments	325,500	-	-	325,500
Private equity investments	6,939,513	-	-	6,939,513
Total assets	$ 29,735,544	$ 955,792	$ 21,477,864	$ 7,301,888

The change in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	Investments in Marketable Securities	Program Investments	Private Equity Investments
Balance, July 1, 2008	$ 247,917	$ 388,500	$ 7,708,084
Total net losses included in change in net assets	(211,042)	(44,000)	(1,199,545)
Purchases and sales, net	-	(19,000)	430,974
Balance, June 30, 2009	$ 36,875	$ 325,500	$ 6,939,513

The net gains (losses) in Level 3, realized and unrealized, above are reported in the Statement of Activities as follows:

	Investments in Marketable Securities	Program Investments	Private Equity Investments
Total realized gains included in net losses above	$ -	$ -	$ 1,267
Change in unrealized losses relating to assets still held at June 30, 2009	$ (211,042)	$ (44,000)	$ (1,200,812)

Note 18. Fair Value (Continued)

Fair Value on a Nonrecurring Basis

Impaired loans: The fair value of impaired loans is determined based on the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The valuation allowance for impaired loans is included in the allowance for losses in the statements of financial position. The valuation allowance for impaired loans at June 30, 2009 was $2,604,936.

	June 30, 2009			
	Total	Level 1	Level 2	Level 3
Impaired loans, net of specific reserves of $2,604,936	$ 11,832,926	$ -	$ -	$ 11,832,926

Fair Value on Financial Instruments

SFAS No. 107, *Disclosures About Fair Value of Financial Instruments*, requires the disclosure of the estimated fair value of financial instruments. The methodology for estimating the fair value of financial assets and liabilities that are measured on a recurring or nonrecurring basis are discussed above.

The table below represents the carrying value and fair value of the Organization's other financial instruments. The fair value represents management's best estimates based on a range of methodologies and assumptions.

Cash and cash equivalents: The carrying amount of cash and cash equivalents approximates fair value.

Investment in marketable securities: Fair value of investment in marketable securities is described above.

Program investments: Fair value of program investments is described above.

Loans and leases other than impaired loans, net of allowance: The fair value of loans and leases in the portfolio is determined by segregating the portfolio by type as loans and leases having a fixed interest rate, loans and leases having an adjustable interest rate, and impaired loans.

The fair value of fixed interest rate loans is estimated by discounting the future cash flows, both principal and interest, using current market rates for expected financings within the Organization's market that reflect the credit, collateral and interest rate risk inherent in the loan.

Adjustable interest rate loans and leases have an interest rate tied to a standard market interest rate and move with the market. Hence these loans and leases are considered by management to be at fair value.

Fair value of impaired loans is described above.

Private equity investments: Fair value of private equity investments is described above.

Loans payable: Fair value of loans payable in the portfolio is determined by segregating the portfolio by type as loans payable having a fixed rate and loans payable having an adjustable rate.

The fair value on fixed rate loans payable is estimated by discounting the future cash flows, both principal and interest, through their weighted average months to maturity, using a weighted average interest rate for expected issuances within the Organization's market.

Adjustable interest rate loans payable has an interest rate tied to a standard market interest rate and moves with the market. Hence this debt is considered by management to be at fair value.

Note 18. Fair Value (Continued)

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Cash and cash equivalents	$ 35,873,652	$ 35,873,652	$ 8,851,253	$ 8,851,253
Investments in marketable securities	22,470,531	22,470,531	33,339,982	33,339,982
Program investments	325,500	325,500	338,500	338,500
Loans and leases, less allowance for losses	134,294,673	132,848,599	108,136,533	109,420,084
Private equity investments	6,939,513	6,939,513	7,708,084	7,708,084
Total Assets	$ 199,903,869	$ 198,457,795	$ 158,374,352	$ 159,657,903
Liabilities				
Loans payable	$ 149,711,602	$ 145,721,983	$ 107,363,168	$ 105,552,762

Note 19. Subsequent Events

The Organization has adopted SFAS No. 165, *Subsequent Events*, effective June 30, 2009 (as more fully described under Recent Accounting Pronouncements). Accordingly, management has evaluated subsequent events through September 17, 2009, the date the financial statements were issued (or available to be issued) and has determined that no recognized or non-recognized subsequent events warranted inclusion or disclosure in the financial statements as of June 30, 2009.

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on the Supplementary Information

To the Boards of Directors
The Reinvestment Fund, Inc. and Affiliates
Philadelphia, Pennsylvania

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating (and other supplementary) information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. The consolidating (and other supplementary) information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Blue Bell, Pennsylvania
September 17, 2009

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

The Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Financial Position
June 30, 2009

	TRF	CLI	Private Equity	EFI	NMTC	Development Partners	Education Funding	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Assets											
Current Assets											
Cash and cash equivalents	$ 30,439,477	$ 688,263	$ 1,409,277	$ 116,310	$ 49,730	$ 3,170,595	$ -	$ -	$ 35,873,652	$ -	$ 35,873,652
Grants and contributions receivable	2,486,250	-	-	-	-	75,000	-	-	2,561,250	-	2,561,250
Investments in marketable securities	16,401,787	-	-	-	-	4,516,892	-	-	20,918,679	4,017,020	16,901,659
Accounts receivable - related parties	-	137,077	-	279,098	-	-	100	(416,275)	-	-	-
Loans and leases	57,787,441	7,171,058	-	312,181	-	-	-	(816,439)	64,454,241	2,684,837	61,769,404
Allowance for losses	(3,802,098)	(147,132)	-	(26,255)	-	-	-	40,822	(3,934,663)	(154,640)	(3,780,023)
Other	1,925,132	479,602	83,722	(2,001)	281,945	222,229	-	(7,498)	2,983,131	181,844	2,801,287
Restricted cash and cash equivalents	16,766,550	859,158	446,600	2,753	-	10,820	-	-	18,085,881	253,558	17,832,323
	122,004,539	9,188,026	1,939,599	682,086	331,675	7,995,536	100	(1,199,390)	140,942,171	6,982,619	133,959,552
Noncurrent Assets											
Investments in marketable securities	1,551,852	-	-	-	-	-	-	-	1,551,852	1,196,089	355,763
Program investments	325,500	-	-	-	-	-	-	-	325,500	-	325,500
Due from related parties	5,052,732	-	-	-	-	-	-	(5,052,732)	-	-	-
Loans and leases	76,427,870	3,071,884	-	563,051	-	-	-	(1,183,333)	78,879,472	2,436,227	76,443,245
Allowance for losses	(5,039,991)	(124,379)	-	(58,340)	-	-	-	118,333	(5,104,377)	(121,811)	(4,982,566)
Investments in limited partnerships	1,787,456	-	-	-	8,265	-	10,518	-	1,806,239	1,091,396	714,843
Private equity investments	299,288	-	6,939,513	-	-	-	-	(299,288)	6,939,513	-	6,939,513
Investments in consolidated subsidiaries	1,560,559	-	-	-	-	-	-	(1,560,559)	-	-	-
Equipment, leasehold improvements and software, net	1,726,174	-	-	-	-	-	-	-	1,726,174	-	1,726,174
Property held for development or sale	-	-	-	-	-	6,778,961	-	-	6,778,961	-	6,778,961
Other	10,504	-	-	-	-	320,668	-	-	331,172	-	331,172
	83,701,944	2,947,505	6,939,513	504,711	8,265	7,099,629	10,518	(7,977,579)	93,234,506	4,601,901	88,632,605
Total Assets	$ 205,706,483	$ 12,135,531	$ 8,879,112	$ 1,186,797	$ 339,940	$ 15,095,165	$ 10,618	$ (9,176,969)	$ 234,176,677	$ 11,584,520	$ 222,592,157
Liabilities and Net Assets											
Current Liabilities											
Accounts payable and accrued expenses	$ 743,187	$ 4,688	$ 2,078	$ 1,067	$ -	$ 140,399	$ -	$ -	$ 891,419	$ 39,177	$ 852,242
Grants payable	33,624	-	-	-	-	-	-	-	33,624	33,624	-
Escrow payable and due to third parties	1,755,075	859,158	446,600	2,753	-	10,820	-	-	3,074,406	52,332	3,022,074
Accounts payable - related parties	416,275	-	-	-	-	-	-	(416,275)	-	150,522	(150,522)
Other	762,350	664	-	-	-	106,731	-	(7,498)	862,247	-	862,247
Loans payable, current portion	41,626,020	-	-	253,388	-	-	-	(253,388)	41,626,020	-	41,626,020
	45,336,531	864,510	448,678	257,208	-	257,950	-	(677,161)	46,487,716	275,655	46,212,061
Noncurrent Liabilities											
Due to related parties	-	-	2,802,429	-	-	2,250,303	-	(5,052,732)	-	-	-
Loans payable, less current maturities	85,042,839	10,771,021	-	563,051	-	13,455,055	-	(1,746,384)	108,085,582	-	108,085,582
	85,042,839	10,771,021	2,802,429	563,051	-	15,705,358	-	(6,799,116)	108,085,582	-	108,085,582
Total Liabilities	130,379,370	11,635,531	3,251,107	820,259	-	15,963,308	-	(7,476,277)	154,573,298	275,655	154,297,643
Non-Controlling Interest	-	-	7,354,990	-	-	-	-	(299,288)	7,055,702	-	7,055,702
Commitments and Contingencies											
Paid in capital	-	-	-	1,210,000	(1,477,691)	-	60,100	207,591	-	-	-
Earnings/(Deficit)	-	-	-	(843,462)	1,817,631	-	(49,482)	(924,687)	-	-	-
Net Assets											
Unrestricted	11,459,299	500,000	(2,042,711)	-	-	(943,143)	-	(684,308)	8,289,137	-	8,289,137
Unrestricted-Contractually limited as to use	10,178,688	-	-	-	-	-	-	-	10,178,688	10,178,688	-
Total Unrestricted	21,637,987	500,000	(2,042,711)	366,538	339,940	(943,143)	10,618	(1,401,404)	18,467,825	10,178,688	8,289,137
Temporarily restricted	25,104,275	-	-	-	-	75,000	-	-	25,179,275	-	25,179,275
Temporarily restricted - Contractually limited as to use	1,130,177	-	-	-	-	-	-	-	1,130,177	1,130,177	-
Total Temporarily Restricted	26,234,452	-	-	-	-	75,000	-	-	26,309,452	1,130,177	25,179,275
Permanently restricted	27,454,674	-	315,726	-	-	-	-	-	27,770,400	-	27,770,400
Total Net Assets	75,327,113	500,000	(1,726,985)	366,538	339,940	(868,143)	10,618	(1,401,404)	72,547,677	11,308,865	61,238,812
Total Liabilities and Net Assets	$ 205,706,483	$ 12,135,531	$ 8,879,112	$ 1,186,797	$ 339,940	$ 15,095,165	$ 10,618	$ (9,176,969)	$ 234,176,677	$ 11,584,520	$ 222,592,157

The Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Financial Position
June 30, 2008

	TRF	CLI	Private Equity	EFI	NMTC	Development Partners	Education Funding	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Assets											
Current Assets											
Cash and cash equivalents	$ 4,203,643	$ 579,875	$ 1,703,638	$ 137,919	$ 61,484	$ 2,164,694	$ -	$ -	$ 8,851,253	$ -	$ 8,851,253
Grants and contributions receivable	7,350,459	-	-	-	-	-	-	-	7,350,459	-	7,350,459
Investments in marketable securities	18,089,461	-	-	-	-	5,035,101	-	-	23,124,562	3,332,574	19,791,988
Accounts receivable - related parties	4,186,655	-	-	232,993	-	-	100	(4,419,748)	-	-	-
Loans and leases	40,569,838	11,863,755	-	264,195	-	-	-	(264,195)	52,433,593	1,282,527	51,151,066
Allowance for losses	(2,173,862)	(334,965)	-	(20,278)	-	-	-	(52,564)	(2,581,669)	(63,042)	(2,518,627)
Other	1,197,885	117,771	168,186	79,062	358,802	27,508	-	(5,090)	1,944,124	129,539	1,814,585
Restricted cash and cash equivalents	16,835,859	663,208	458,137	22,011	-	1,300	-	-	17,980,515	890,279	17,090,236
	90,259,938	12,889,644	2,329,961	715,902	420,286	7,228,603	100	(4,741,597)	109,102,837	5,571,877	103,530,960
Noncurrent Assets											
Grants and contributions receivable	3,071,754	-	-	-	-	-	-	-	3,071,754	-	3,071,754
Investments in marketable securities	10,215,420	-	-	-	-	-	-	-	10,215,420	4,211,403	6,004,017
Program investments	388,500	-	-	-	-	-	-	-	388,500	-	388,500
Loans and leases	55,837,048	6,148,789	-	1,144,441	-	-	-	(1,735,074)	61,395,204	1,713,164	59,682,040
Allowance for losses	(2,999,570)	(171,025)	-	(122,527)	-	-	-	182,527	(3,110,595)	(85,658)	(3,024,937)
Investments in limited partnerships	1,981,099	-	-	-	6,715	-	60,000	-	2,047,814	1,075,675	972,139
Private equity investments	323,784	-	7,708,084	-	-	-	-	(323,784)	7,708,084	-	7,708,084
Investments in consolidated subsidiaries	1,697,055	-	-	-	-	-	-	(1,697,055)	-	-	-
Equipment, leasehold improvements and software, net	1,547,989	-	-	-	-	-	-	-	1,547,989	-	1,547,989
Property held for development or sale	-	-	-	-	-	1,557,157	-	-	1,557,157	-	1,557,157
Other	15,238	-	-	-	-	418,487	-	-	433,725	-	433,725
	72,078,317	5,977,764	7,708,084	1,021,914	6,715	1,975,644	60,000	(3,573,386)	85,255,052	6,914,584	78,340,468
Total Assets	$ 162,338,255	$ 18,867,408	$ 10,038,045	$ 1,737,816	$ 427,001	$ 9,204,247	$ 60,100	$ (8,314,983)	$ 194,357,889	$ 12,486,461	$ 181,871,428
Liabilities and Net Assets											
Current Liabilities											
Accounts payable and accrued expenses	$ 1,616,560	$ 4,687	$ 37,768	$ 127	$ -	$ 59,835	$ -	$ (104)	$ 1,718,873	$ 33,766	$ 1,685,107
Grants payable	563,208	-	-	-	-	-	-	-	563,208	563,208	-
Escrow payable and due to third parties	3,002,041	663,208	458,137	22,011	-	1,300	-	-	4,146,697	27,436	4,119,261
Accounts payable - related parties	-	97,590	3,117,633	-	47	1,204,478	-	(4,419,748)	-	27,151	(27,151)
Other	527,304	1,923	-	-	-	148,095	-	(4,986)	672,336	-	672,336
Recoverable grant payable	758,840	-	-	-	-	-	-	-	758,840	-	758,840
Loans payable, current portion	13,005,912	-	-	264,195	-	-	-	(264,195)	13,005,912	-	13,005,912
	19,473,865	767,408	3,613,538	286,333	47	1,413,708	-	(4,689,033)	20,865,866	651,561	20,214,305
Noncurrent Liabilities											
Loans payable, less current maturities	69,597,256	17,600,000	-	1,135,074	-	7,760,000	-	(1,735,074)	94,357,256	-	94,357,256
Total Liabilities	89,071,121	18,367,408	3,613,538	1,421,407	47	9,173,708	-	(6,424,107)	115,223,122	651,561	114,571,561
Non-Controlling Interest	-	-	7,956,987	-	-	-	-	(323,784)	7,633,203	-	7,633,203
Commitments and Contingencies											
Paid in capital	-	-	-	1,210,000	(1,309,341)	-	60,100	39,241	-	-	-
Earnings/(Deficit)	-	-	-	(893,591)	1,736,295	-	-	(842,704)	-	-	-
Net Assets											
Unrestricted	13,738,623	500,000	(1,848,206)	-	-	22,666	-	(763,629)	11,649,454	-	11,649,454
Unrestricted-Contractually limited as to use	10,108,082	-	-	-	-	-	-	-	10,108,082	10,108,082	-
Total Unrestricted	23,846,705	500,000	(1,848,206)	316,409	426,954	22,666	60,100	(1,567,092)	21,757,536	10,108,082	11,649,454
Temporarily restricted	20,542,586	-	-	-	-	7,873	-	-	20,550,459	-	20,550,459
Temporarily restricted - Contractually limited as to use	1,726,818	-	-	-	-	-	-	-	1,726,818	1,726,818	-
Total Temporarily Restricted	22,269,404	-	-	-	-	7,873	-	-	22,277,277	1,726,818	20,550,459
Permanently restricted	27,151,025	-	315,726	-	-	-	-	-	27,466,751	-	27,466,751
Total Net Assets	73,267,134	500,000	(1,532,480)	316,409	426,954	30,539	60,100	(1,567,092)	71,501,564	11,834,900	59,666,664
Total Liabilities and Net Assets	$ 162,338,255	$ 18,867,408	$ 10,038,045	$ 1,737,816	$ 427,001	$ 9,204,247	$ 60,100	$ (8,314,983)	$ 194,357,889	$ 12,486,461	$ 181,871,428

The Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Activities
Year Ended June 30, 2009

	TRF	CLI	Private Equity	EFI	NMTC	Development Partners	Education Funding	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Financial Activity											
Financial Income											
Interest income from:											
Marketable securities	$ 615,967	$ 12,610	$ 10,055	$ 174	$ 209	$ 113,923	$ -	$ -	$ 752,938	$ 165,733	$ 587,205
Loans and leases	7,485,760	805,660	-	56,783	-	-	-	(50,635)	8,297,568	214,968	8,082,600
Private equity investments	-	-	102,833	-	-	-	-	-	102,833	-	102,833
Investment gains, net											
Marketable securities	7,265	-	-	-	-	-	-	-	7,265	-	7,265
Equity gains in limited partnerships	-	-	-	-	632	-	-	(632)	-	-	-
Equity gains in consolidated subsidiaries	31,854	-	-	-	-	-	-	(31,854)	-	-	-
Loan and lease fees	803,375	181,555	-	(14,691)	-	-	-	-	970,239	(24,323)	994,562
Asset management fee	846,731	-	-	-	420,761	-	-	(339,996)	927,496	-	927,496
Total Financial Income	9,790,952	999,825	112,888	42,266	421,602	113,923	-	(423,117)	11,058,339	356,378	10,701,961
Financial Expense											
Interest expense	3,600,344	463,507	-	38,124	-	115,589	-	(50,635)	4,166,929	-	4,166,929
Asset management fee	-	-	-	-	339,996	-	-	(339,996)	-	-	-
Investment losses, net											
Marketable securities	207,363	-	-	-	-	19,496	-	-	226,859	(32,843)	259,702
Program investments	44,000	-	-	-	-	-	-	-	44,000	(162,281)	206,281
Private equity investments	70,746	-	1,199,545	-	-	-	-	(70,746)	1,199,545	-	1,199,545
Equity losses in limited partnerships	47,083	-	-	-	-	-	49,482	(632)	95,933	-	95,933
Provision for loan and lease losses	4,235,070	(261,410)	-	(16,165)	-	-	-	(69,509)	3,887,986	127,751	3,760,235
Total Financial Expense	8,204,606	202,097	1,199,545	21,959	339,996	135,085	49,482	(531,518)	9,621,252	(67,373)	9,688,625
Net Financial Income	1,586,346	797,728	(1,086,657)	20,307	81,606	(21,162)	(49,482)	108,401	1,437,087	423,751	1,013,336
Revenue and Support											
Grants and contributions	11,456,707	-	-	-	-	868,956	-	(768,956)	11,556,707	-	11,556,707
Program services and fees	2,918,975	17,810	137,500	(100)	-	198,791	-	(794,198)	2,478,778	129,343	2,349,435
Total Revenue and Support	14,375,682	17,810	137,500	(100)	-	1,067,747	-	(1,563,154)	14,035,485	129,343	13,906,142
Program and General Expenses and Other Decreases											
Program and General Expenses											
Program - Lending and Community Investing	5,916,516	815,538	-	10,395	270	-	-	(794,198)	5,948,521	-	5,948,521
Program - Private Equity	-	-	829,330	-	-	-	-	-	829,330	-	829,330
Program - Sustainable Development Fund	1,079,129	-	-	-	-	-	-	-	1,079,129	1,079,129	-
Program - Policy Solutions	789,740	-	-	-	-	-	-	-	789,740	-	789,740
Program - PolicyMap	1,506,677	-	-	-	-	-	-	-	1,506,677	-	1,506,677
Program - Development Partners	-	-	-	-	-	1,580,189	-	-	1,580,189	-	1,580,189
Management and general	3,679,606	-	154,608	-	-	365,078	-	(768,956)	3,430,336	-	3,430,336
Total Program and General Expenses	12,971,668	815,538	983,938	10,395	270	1,945,267	-	(1,563,154)	15,163,922	1,079,129	14,084,793
Other Decreases											
Charges related to revolving loan fund	930,381	-	-	-	-	-	-	-	930,381	-	930,381
Forgiveness of debt from related parties	-	-	-	(40,317)	-	-	-	40,317	-	-	-
Total Other Decreases	930,381	-	-	(40,317)	-	-	-	40,317	930,381	-	930,381
Total Expenses and Other Decreases	13,902,049	815,538	983,938	(29,922)	270	1,945,267	-	(1,522,837)	16,094,303	1,079,129	15,015,174
Net income (loss)	-	-	-	50,129	81,336	-	(49,482)	(81,983)	-	-	-
Change in net assets	2,059,979	-	(1,933,095)	-	-	(898,682)	-	150,067	(621,731)	(526,035)	(95,696)
Capital contributions (distributions), net	-	-	-	-	(168,350)	-	-	168,350	-	-	-
Change in net assets before non-controlling interest	2,059,979	-	(1,933,095)	50,129	(87,014)	(898,682)	(49,482)	236,434	(621,731)	(526,035)	(95,696)
Less: non-controlling interest	-	-	1,738,590	-	-	-	-	(70,746)	1,667,844	-	1,667,844
Change in net assets	2,059,979	-	(194,505)	50,129	(87,014)	(898,682)	(49,482)	165,688	1,046,113	(526,035)	1,572,148
Net assets, beginning	73,267,134	500,000	(1,532,480)	316,409	426,954	30,539	60,100	(1,567,092)	71,501,564	11,834,900	59,666,664
Net assets, ending	$ 75,327,113	$ 500,000	$ (1,726,985)	$ 366,538	$ 339,940	$ (868,143)	$ 10,618	$ (1,401,404)	$ 72,547,677	$ 11,308,865	$ 61,238,812

The Reinvestment Fund, Inc. and Affiliates (Excluding SDF)

Consolidating Statement of Activities
Year Ended June 30, 2008

	TRF	CLI	Private Equity	EFI	NMTC	Development Partners	Education Funding	Eliminations & Reclassifications	Total	SDF	Total (excluding SDF)
Financial Activity											
Financial Income											
Interest income from:											
Marketable securities	$ 2,356,433	$ 56,825	$ 25,789	$ (40)	$ 4,037	$ 259,430	$ -	$ -	$ 2,702,474	$ 447,870	$ 2,254,604
Loans and leases	6,080,508	979,855	-	148,684	-	-	-	(83,027)	7,126,020	153,395	6,972,625
Private equity investments	-	-	84,330	-	-	-	-	-	84,330	-	84,330
Investment gains, net											
Equity gains in limited partnerships	-	-	-	-	740	-	-	(740)	-	-	-
Equity gains in consolidated subsidiaries	366,058	-	-	-	-	-	-	(366,058)	-	-	-
Loan and lease fees	667,481	276,319	-	(11,326)	-	-	-	-	932,474	3,000	929,474
Asset management fee	995,984	-	-	-	387,111	-	-	(509,994)	873,101	-	873,101
Other income	-	-	-	-	-	-	-	-	-	-	-
Total Financial Income	10,466,464	1,312,999	110,119	137,318	391,888	259,430	-	(959,819)	11,718,399	604,265	11,114,134
Financial Expense											
Interest expense	3,256,357	774,508	-	73,000	-	120,270	-	(83,027)	4,141,108	-	4,141,108
Asset management fee	-	-	-	-	509,994	-	-	(509,994)	-	-	-
Investment losses, net											
Marketable securities	51,971	-	-	-	-	-	-	-	51,971	10,965	41,006
Program investments	541,122	-	-	-	-	-	-	-	541,122	548,372	(7,250)
Private equity investments	172,737	-	3,977,310	-	-	-	-	(172,737)	3,977,310	-	3,977,310
Equity losses in limited partnerships	118,011	-	-	-	-	-	-	(740)	117,271	(3,959)	121,230
Provision for loan and lease losses	1,126,389	78,326	-	(127,775)	-	-	-	140,448	1,217,388	28,302	1,189,086
Total Financial Expense	5,266,587	852,834	3,977,310	(54,775)	509,994	120,270	-	(626,050)	10,046,170	583,680	9,462,490
Net Financial Income	5,199,877	460,165	(3,867,191)	192,093	(118,106)	139,160	-	(333,769)	1,672,229	20,585	1,651,644
Revenue and Support											
Grants and contributions	18,996,934	-	-	-	-	595,987	-	(535,987)	19,056,934	-	19,056,934
Program services and fees	1,911,346	24,349	150,000	-	484,568	(36,502)	-	(465,764)	2,067,997	63,809	2,004,188
Other income	-	-	9,105	-	-	-	-	-	9,105	-	9,105
Total Revenue and Support	20,908,280	24,349	159,105	-	484,568	559,485	-	(1,001,751)	21,134,036	63,809	21,070,227
Program and General Expenses and Other Decreases											
Program and General Expenses											
Program - Lending and Community Investing	6,720,429	484,514	-	24,727	404	-	-	(465,764)	6,764,310	-	6,764,310
Program - Private Equity	-	-	736,247	-	-	-		-	736,247	-	736,247
Program - Sustainable Development Fund	3,711,912	-	-	-	-	-	-	-	3,711,912	3,711,912	-
Program - Policy Solutions	2,436,481	-	-	-	-	-	-	(535,987)	1,900,494	-	1,900,494
Program - PolicyMap	930,073	-	-	-	-	-	-	-	930,073	-	930,073
Program - Development Partners	-	-	-	-	-	886,741	-	-	886,741	-	886,741
Management and general	2,574,173	-	314,177	-	-	470,360	-	-	3,358,710	-	3,358,710
Total Program and General Expenses	16,373,068	484,514	1,050,424	24,727	404	1,357,101	-	(1,001,751)	18,288,487	3,711,912	14,576,575
Other Decreases											
Discontinuation of program	192,382	-	-	-	-	-	-	-	192,382	-	192,382
Charges related to revolving loan fund	546,956	-	-	-	-	-	-	-	546,956	-	546,956
Forgiveness of debt from related parties	-	-	-	(73,197)	-	-	-	73,197	-	-	-
Total Other Decreases	739,338	-	-	(73,197)	-	-	-	73,197	739,338	-	739,338
Total Expenses and Other Decreases	17,112,406	484,514	1,050,424	(48,470)	404	1,357,101	-	(928,554)	19,027,825	3,711,912	15,315,913
Net income (loss)	-	-	-	240,563	366,058	-	-	(606,621)	-	-	-
Change in net assets	8,995,751	-	(4,758,510)	-	-	(658,456)	-	199,655	3,778,440	(3,627,518)	7,405,958
Capital contributions (distributions), net	-	-	-	-	(1,310,341)	-	60,100	1,250,241	-	-	-
Change in net assets before non-controlling interest	8,995,751	-	(4,758,510)	240,563	(944,283)	(658,456)	60,100	843,275	3,778,440	(3,627,518)	7,405,958
Less: non-controlling interest	-	-	4,245,517	-	-	-	-	(172,737)	4,072,780	-	4,072,780
Change in net assets	8,995,751	-	(512,993)	240,563	(944,283)	(658,456)	60,100	670,538	7,851,220	(3,627,518)	11,478,738
Net assets, beginning	64,271,383	500,000	(1,019,487)	75,846	1,371,237	688,995	-	(2,237,630)	63,650,344	15,462,418	48,187,926
Net assets, ending	$ 73,267,134	$ 500,000	$ (1,532,480)	$ 316,409	$ 426,954	$ 30,539	$ 60,100	$ (1,567,092)	$ 71,501,564	$ 11,834,900	$ 59,666,664

TRF Private Equity, Inc. and Affiliates

Consolidating Statement of Financial Position
June 30, 2009

	DVCRF Ventures Capital, LP	DVCRF Ventures GP, LLC	TRF UG Capital, LP	TRF UG GP, LLC	TRF UGP, LP	TRF Private Equity, Inc.	Eliminations & Reclassifications	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 100	$ -	$ 500	$ -	$ 871,152	$ 537,525	$ -	$ 1,409,277
Other	-	-	-	-	31,169	52,553	-	83,722
Restricted cash and cash equivalents	-	-	-	-	-	446,600	-	446,600
	100	-	500	-	902,321	1,036,678	-	1,939,599
Noncurrent Assets								
Private equity investments	-	100	485,331	5,254	6,939,513	485,931	(976,616)	6,939,513
	-	100	485,331	5,254	6,939,513	485,931	(976,616)	6,939,513
Total Assets	$ 100	$ 100	$ 485,831	$ 5,254	$ 7,841,834	$ 1,522,609	$ (976,616)	$ 8,879,112
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ 1,513	$ 565	$ -	$ 2,078
Escrow payable and due to third parties	446,600	2,233	-	-	-	446,600	(448,833)	446,600
	446,600	2,233	-	-	1,513	447,165	(448,833)	448,678
Noncurrent Liabilities								
Due to related parties	-	-	-	-	-	2,802,429	-	2,802,429
	-	-	-	-	-	2,802,429	-	2,802,429
Total Liabilities	446,600	2,233	-	-	1,513	3,249,594	(448,833)	3,251,107
Non-Controlling Interest	-	-	-	-	7,354,990	-	-	7,354,990
Commitments and Contingencies								
Partners' Capital (Net Assets)								
General partner	(5,968)	(2,133)	5,254	5,254	485,331	-	(487,738)	-
Limited partner	(440,532)	-	480,577	-	-	-	(40,045)	-
Total Partners' capital (Net Assets)	(446,500)	(2,133)	485,831	5,254	485,331	-	(527,783)	-
Net Assets								
Unrestricted	-	-	-	-	-	(2,042,711)	-	(2,042,711)
Total Unrestricted	-	-	-	-	-	(2,042,711)	-	(2,042,711)
Temporarily restricted	-	-	-	-	-	-	-	-
Total Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	315,726	-	315,726
Total Net Assets	-	-	-	-	-	(1,726,985)	-	(1,726,985)
Total Liabilities and Net Assets	$ 100	$ 100	$ 485,831	$ 5,254	$ 7,841,834	$ 1,522,609	$ (976,616)	$ 8,879,112

TRF Private Equity, Inc. and Affiliates

Consolidating Statement of Financial Position
June 30, 2008

	DVCRF Ventures Capital, LP	DVCRF Ventures GP, LLC	TRF UG Capital, LP	TRF UG GP, LLC	TRF UGP, LP	TRF Private Equity, Inc.	Eliminations & Reclassifications	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 100	$ -	$ 500	$ -	$ 686,167	$ 1,016,871	$ -	$ 1,703,638
Other	-	-	-	-	105,112	63,074	-	168,186
Restricted cash and cash equivalents	-	-	-	-	11,537	446,600	-	458,137
	100	-	500	-	802,816	1,526,545	-	2,329,961
Noncurrent Assets								
Private equity investments	-	100	525,055	5,651	7,708,084	525,655	(1,056,461)	7,708,084
Total Assets	$ 100	$ 100	$ 525,555	$ 5,651	$ 8,510,900	$ 2,052,200	$ (1,056,461)	$ 10,038,045
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ -	$ -	$ -	$ -	$ 17,321	$ 20,447	$ -	$ 37,768
Escrow payable and due to third parties	446,600	2,233	-	-	11,537	446,600	(448,833)	458,137
Accounts payable - related parties	-	-	-	-	-	3,117,633	-	3,117,633
Total Liabilities	446,600	2,233	-	-	28,858	3,584,680	(448,833)	3,613,538
Non-Controlling Interest	-	-	-	-	7,956,987	-	-	7,956,987
Commitments and Contingencies								
Partners' Capital (Net Assets)								
General partner	(5,968)	(2,133)	5,650	5,651	525,055	-	(528,255)	-
Limited partner	(440,532)	-	519,905	-	-	-	(79,373)	-
Total Partners' capital (Net Assets)	(446,500)	(2,133)	525,555	5,651	525,055	-	(607,628)	-
Net Assets								
Unrestricted	-	-	-	-	-	(1,848,206)	-	(1,848,206)
Total Unrestricted	-	-	-	-	-	(1,848,206)	-	(1,848,206)
Temporarily restricted	-	-	-	-	-	-	-	-
Total Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	315,726	-	315,726
Total Net Assets	-	-	-	-	-	(1,532,480)	-	(1,532,480)
Total Liabilities and Net Assets	$ 100	$ 100	$ 525,555	$ 5,651	$ 8,510,900	$ 2,052,200	$ (1,056,461)	$ 10,038,045

TRF Private Equity, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended June 30, 2009

	DVCRF Ventures Capital, LP	DVCRF Ventures GP, LLC	TRF UG Capital, LP	TRF UG GP, LLC	TRF UGP, LP	TRF Private Equity, Inc.	Eliminations & Reclassifications	Total
Financial Activity								
Financial Income								
Interest income from:								
Marketable securities	$ -	$ -	$ -	$ -	$ -	$ 10,055	$ -	$ 10,055
Private equity investments	-	-	-	-	102,833	-	-	102,833
Asset management fee	-	-	-	-	-	587,436	(587,436)	-
Total Financial Income	-	-	-	-	102,833	597,491	(587,436)	112,888
Financial Expense								
Asset management fee	-	-	-	-	587,436	-	(587,436)	-
Investment losses, net								
Private equity investments	-	-	-	-	1,199,545	-	-	1,199,545
Equity losses in private equity investments	-	-	114,724	1,147	-	114,724	(230,595)	-
Total Financial Expense	-	-	114,724	1,147	1,786,981	114,724	(818,031)	1,199,545
Net Financial Income	-	-	(114,724)	(1,147)	(1,684,148)	482,767	230,595	(1,086,657)
Revenue and Support								
Program services and fees	-	-	-	-	-	137,500	-	137,500
Total Revenue and Support	-	-	-	-	-	137,500	-	137,500
Program and General Expenses								
Program and General Expenses								
Program - Private Equity	-	-	-	-	169,166	660,164	-	829,330
Management and general	-	-	-	-	-	154,608	-	154,608
Total Program and General Expenses	-	-	-	-	169,166	814,772	-	983,938
Net loss	-	-	(114,724)	(1,147)	(1,853,314)	-	1,969,185	-
Change in net assets	-	-	-	-	-	(194,505)	(1,738,590)	(1,933,095)
Change in net assets before non-controlling interest	-	-	(114,724)	(1,147)	(1,853,314)	(194,505)	230,595	(1,933,095)
Less: non-controlling interest	-	-	-	-	1,738,590	-	-	1,738,590
Change in net assets	-	-	(114,724)	(1,147)	(114,724)	(194,505)	230,595	(194,505)
Net assets, beginning	(446,500)	(2,133)	525,555	5,651	525,055	(1,532,480)	(607,628)	(1,532,480)
Capital contribution	-	-	75,000	750	75,000	-	(150,750)	-
Net assets, ending	$ (446,500)	$ (2,133)	$ 485,831	$ 5,254	$ 485,331	$ (1,726,985)	$ (527,783)	$ (1,726,985)

TRF Private Equity, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended June 30, 2008

	DVCRF Ventures Capital, LP	DVCRF Ventures GP, LLC	TRF UG Capital, LP	TRF UG GP, LLC	TRF UGP, LP	TRF Private Equity, Inc.	Eliminations & Reclassifications	Total
Financial Activity								
Financial Income								
Interest income from:								
Marketable securities	$ -	$ -	$ -	$ -	$ -	$ 25,789	$ -	$ 25,789
Private equity investments	-	-	-	-	84,330	-	-	84,330
Asset management fee	-	-	-	-	-	556,086	(556,086)	-
Total Financial Income	-	-	-	-	84,330	581,875	(556,086)	110,119
Financial Expense								
Asset management fee	-	-	-	-	556,086	-	(556,086)	-
Investment losses, net								
Private equity investments	-	-	-	-	3,977,310	-	-	3,977,310
Equity losses in private equity investments	-	-	280,115	1,555	-	279,616	(561,286)	-
Provision for loan and lease losses	-	-	-	-	-	-	-	-
Total Financial Expense	-	-	280,115	1,555	4,533,396	279,616	(1,117,372)	3,977,310
Net Financial Income	-	-	(280,115)	(1,555)	(4,449,066)	302,259	561,286	(3,867,191)
Revenue and Support								
Program services and fees	-	-	-	-	-	150,000	-	150,000
Other income	-	-	-	-	9,105	-	-	9,105
Total Revenue and Support	-	-	-	-	9,105	150,000	-	159,105
Program and General Expenses								
Program and General Expenses								
Program - Private Equity	-	-	-	-	85,171	651,075	1	736,247
Management and general	-	-	-	-	-	314,177	-	314,177
Total Program and General Expenses	-	-	-	-	85,171	965,252	1	1,050,424
Net loss	-	-	(280,115)	(1,555)	(4,525,132)	-	4,806,802	-
Change in net assets	-	-	-	-	-	(512,993)	(4,245,517)	(4,758,510)
Change in net assets before non-controlling interest	-	-	(280,115)	(1,555)	(4,525,132)	(512,993)	561,285	(4,758,510)
Less: non-controlling interest	-	-	-	-	4,245,017	-	500	4,245,517
Change in net assets	-	-	(280,115)	(1,555)	(280,115)	(512,993)	561,785	(512,993)
Net assets, beginning	(405,900)	(1,930)	715,670	6,306	715,170	(1,019,487)	(1,029,316)	(1,019,487)
Capital contribution	-	-	90,000	900	90,000	-	(180,900)	-
Partners' distribution	(40,600)	(203)	-	-	-	-	40,803	-
Net assets, ending	$ (446,500)	$ (2,133)	$ 525,555	$ 5,651	$ 525,055	$ (1,532,480)	$ (607,628)	$ (1,532,480)

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Financial Position
June 30, 2009

	TRF Development Partners, Inc.	Baltimore, LLC & Subsidiary	TRF DP - Philadelphia, LLC	TRF DP - Ridge Avenue, LLC	TRF DP - Chester, LLC	Eliminations & Reclassifications	Total
Assets							
Current Assets							
Cash and cash equivalents	$ 1,241,224	$ 1,713,988	$ 47,298	$ 13,361	$ 154,724	$ -	$ 3,170,595
Grants and contributions receivable	75,000	-	-	-	-	-	75,000
Investments in marketable securities	-	3,670,174	-	-	846,718	-	4,516,892
Other	664,143	153,512	50,456	-	-	(645,882)	222,229
Restricted cash and cash equivalents	-	10,820	-	-	-	-	10,820
	1,980,367	5,548,494	97,754	13,361	1,001,442	(645,882)	7,995,536
Noncurrent Assets							
Investments in consolidated subsidiaries	(515,296)	-	-	-	-	515,296	-
Property held for development or sale	-	3,639,182	-	3,200,705	-	(60,926)	6,778,961
Other	-	79,885	239,033	-	1,750	-	320,668
	(515,296)	3,719,067	239,033	3,200,705	1,750	454,370	7,099,629
Total Assets	$ 1,465,071	$ 9,267,561	$ 336,787	$ 3,214,066	$ 1,003,192	$ (191,512)	$ 15,095,165
Liabilities and Net Assets							
Current Liabilities							
Accounts payable and accrued expenses	$ 2,491	$ 81,308	$ 910	$ 54,974	$ 716	$ -	$ 140,399
Escrow payable and due to third parties	-	10,820	-	-	-	-	10,820
Accounts payable - related parties	-	5,035	375,000	265,847	-	(645,882)	-
Other	19,494	79,438	-	-	7,799	-	106,731
	21,985	176,601	375,910	320,821	8,515	(645,882)	257,950
Noncurrent Liabilities							
Due to related parties	2,250,303	-	-	-	-	-	2,250,303
Loans payable, less current maturities	-	9,460,000	-	2,995,055	1,000,000	-	13,455,055
	2,250,303	9,460,000	-	2,995,055	1,000,000	-	15,705,358
Total Liabilities	2,272,288	9,636,601	375,910	3,315,876	1,008,515	(645,882)	15,963,308
Commitments and Contingencies							
Paid-in-Capital	-	65,471	561,758	60,000	1,675	(688,904)	-
Accumulated Deficit	-	(434,511)	(600,881)	(161,810)	(6,998)	1,204,200	-
Net Assets							
Unrestricted	(882,217)	-	-	-	-	(60,926)	(943,143)
Total Unrestricted	(882,217)	(369,040)	(39,123)	(101,810)	(5,323)	454,370	(943,143)
Temporarily restricted	75,000	-	-	-	-	-	75,000
Total Temporarily restricted	75,000	-	-	-	-	-	75,000
Total Net Assets	(807,217)	(369,040)	(39,123)	(101,810)	(5,323)	454,370	(868,143)
Total Liabilities and Net Assets	$ 1,465,071	$ 9,267,561	$ 336,787	$ 3,214,066	$ 1,003,192	$ (191,512)	$ 15,095,165

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Financial Position
June 30, 2008

	TRF Development Partners, Inc.	TRF DP - Baltimore, LLC & Subsidiary	TRF DP - Philadelphia, LLC	TRF DP - Ridge Avenue, LLC	Eliminations & Reclassifications	Total
Assets						
Current Assets						
Cash and cash equivalents	$ 693,042	$ 1,422,965	$ 48,687	$ -	$ -	$ 2,164,694
Investments in marketable securities	-	5,035,101	-	-	-	5,035,101
Other	781,436	15,020	-	-	(768,948)	27,508
Restricted cash and cash equivalents	-	1,300	-	-	-	1,300
	1,474,478	6,474,386	48,687	-	(768,948)	7,228,603
Noncurrent Assets						
Investments in consolidated subsidiaries	(238,962)	-	-	-	238,962	-
Property held for development or sale	-	1,557,157	-	-	-	1,557,157
Other	2,700	39,207	152,575	224,005	-	418,487
	(236,262)	1,596,364	152,575	224,005	238,962	1,975,644
Total Assets	$ 1,238,216	$ 8,070,750	$ 201,262	$ 224,005	$ (529,986)	$ 9,204,247
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	$ 3,199	$ 56,215	$ 421	$ -	$ -	$ 59,835
Escrow payable and due to third parties	-	1,300	-	-	-	1,300
Accounts payable - related parties	1,204,478	375,000	225,000	168,948	(768,948)	1,204,478
Other	-	148,095	-	-	-	148,095
	1,207,677	580,610	225,421	168,948	(768,948)	1,413,708
Noncurrent Liabilities						
Loans payable, less current maturities	-	7,760,000	-	-	-	7,760,000
Total Liabilities	1,207,677	8,340,610	225,421	168,948	(768,948)	9,173,708
Commitments and Contingencies						
Paid-in-Capital	-	65,600	368,487	60,000	(494,087)	-
Accumulated Deficit	-	(335,460)	(392,646)	(4,943)	733,049	-
Net Assets						
Unrestricted	22,666	-	-	-	-	22,666
Total Unrestricted	22,666	(269,860)	(24,159)	55,057	238,962	22,666
Temporarily restricted	7,873	-	-	-	-	7,873
Total Temporarily restricted	7,873	-	-	-	-	7,873
Total Net Assets	30,539	(269,860)	(24,159)	55,057	238,962	30,539
Total Liabilities and Net Assets	$ 1,238,216	$ 8,070,750	$ 201,262	$ 224,005	$ (529,986)	$ 9,204,247

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended June 30, 2009

	TRF Development Partners, Inc.	TRF DP - Baltimore, LLC & Subsidiary	TRF DP - Philadelphia, LLC	TRF DP - Ridge Avenue, LLC	TRF DP - Chester, LLC	Eliminations & Reclassifications	Total
Financial Activity							
Financial Income							
Interest income from:							
Marketable securities	$ 8,427	$ 104,358	$ (468)	$ (145)	$ 1,751	$ -	$ 113,923
Asset management fee	510,000	-	-	-	-	(510,000)	-
Total Financial Income	518,427	104,358	(468)	(145)	1,751	(510,000)	113,923
Financial Expense							
Interest expense	-	107,790	-	-	7,799	-	115,589
Investment losses, net							
Marketable securities	-	19,496	-	-	-	-	19,496
Equity losses in consolidated subsidiaries	462,777	-	-	-	-	(462,777)	-
Total Financial Expense	462,777	127,286	-	-	7,799	(462,777)	135,085
Net Financial Income	55,650	(22,928)	(468)	(145)	(6,048)	(47,223)	(21,162)
Revenue and Support							
Grants and contributions	868,956	-	-	-	-	-	868,956
Program services and fees	69,981	189,736	-	-	-	(60,926)	198,791
Total Revenue and Support	938,937	189,736	-	-	-	(60,926)	1,067,747
Program and General Expenses							
Program and General Expenses							
Program - Development Partners	1,467,265	265,860	199,392	156,722	950	(510,000)	1,580,189
Management and general	365,078	-	-	-	-	-	365,078
Total Program and General Expenses	1,832,343	265,860	199,392	156,722	950	(510,000)	1,945,267
Net loss	-	(99,052)	(199,860)	(156,867)	(6,998)	462,777	-
Change in net assets	(837,756)	-	-	-	-	(60,926)	(898,682)
Capital contributions (distributions), net	-	(128)	184,896	-	1,675	(186,443)	-
Change in net assets	(837,756)	(99,180)	(14,964)	(156,867)	(5,323)	215,408	(898,682)
Net assets, beginning	30,539	(269,860)	(24,159)	55,057	-	238,962	30,539
Net assets, ending	$ (807,217)	$ (369,040)	$ (39,123)	$ (101,810)	$ (5,323)	$ 454,370	$ (868,143)

TRF Development Partners, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended June 30, 2008

	TRF Development Partners, Inc.	TRF DP - Baltimore, LLC & Subsidiary	TRF DP - Philadelphia, LLC	TRF DP - Ridge Avenue, LLC	Eliminations & Reclassifications	Total
Financial Activity						
Financial Income						
Interest income from:						
Marketable securities	$ 20,670	$ 238,550	$ 210	$ -	$ -	$ 259,430
Asset management fee	300,000	-	-	-	(300,000)	-
Total Financial Income	320,670	238,550	210	-	(300,000)	259,430
Financial Expense						
Interest expense	-	120,270	-	-	-	120,270
Investment losses, net						
Equity losses in consolidated subsidiaries	461,971	-	-	-	(461,971)	-
Total Financial Expense	461,971	120,270	-	-	(461,971)	120,270
Net Financial Income	(141,301)	118,280	210	-	161,971	139,160
Revenue and Support						
Grants and contributions	595,987	-	-	-	-	595,987
Program services and fees	(37,975)	1,473	-	-	-	(36,502)
Total Revenue and Support	558,012	1,473	-	-	-	559,485
Program and General Expenses						
Program and General Expenses						
Program - Development Partners	604,807	269,565	307,426	4,943	(300,000)	886,741
Management and general	470,360	-	-	-	-	470,360
Total Program and General Expenses	1,075,167	269,565	307,426	4,943	(300,000)	1,357,101
Net loss	-	(149,812)	(307,216)	(4,943)	461,971	-
Change in net assets	(658,456)	-	-	-	-	(658,456)
Capital contributions	-	8,661	251,439	60,000	(320,100)	-
Change in net assets	(658,456)	(141,151)	(55,777)	55,057	141,871	(658,456)
Net assets, beginning	688,995	(128,709)	31,618	-	97,091	688,995
Net assets, ending	$ 30,539	$ (269,860)	$ (24,159)	$ 55,057	$ 238,962	$ 30,539

The Reinvestment Fund, Inc. and Affiliates

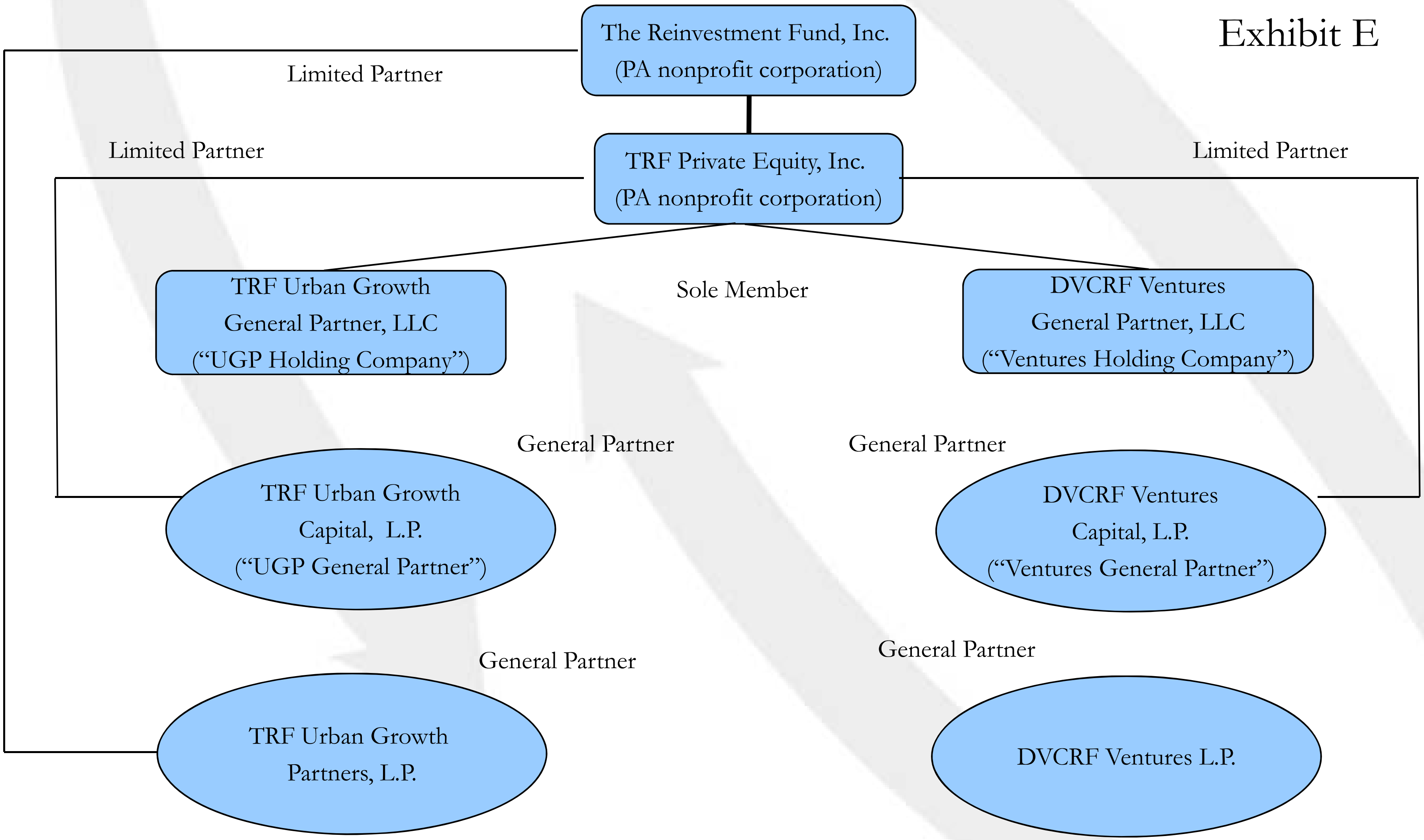
Consolidated Schedules of Functional Expenses
Years Ended June 30, 2009 and 2008

	2009					
	Personnel	Occupancy	Professional Services	General & Administrative	Grants	Total
Program - Lending and Communtiy Investing	$ 2,366,463	$ 402,205	$ 1,003,967	$ 82,231	$ 2,093,655	$ 5,948,521
Program - Private Equity	582,163	50,085	172,942	24,140	-	829,330
Program - Sustainable Development Fund	302,768	40,277	79,811	10,625	645,648	1,079,129
Program - Policy Solutions	581,173	87,072	95,323	26,172	-	789,740
Program - PolicyMap	474,630	528,148	475,948	27,951	-	1,506,677
Program - Development Partners	1,078,353	177,842	257,954	66,040	-	1,580,189
Management and general	2,452,380	411,804	493,047	73,105	-	3,430,336
	$ 7,837,930	$ 1,697,433	$ 2,578,992	$ 310,264	$ 2,739,303	$ 15,163,922

	2008					
	Personnel	Occupancy	Professional Services	General & Administrative	Grants	Total
Program - Lending and Community Investing	$ 2,238,463	$ 370,866	$ 1,297,059	$ 79,058	$ 2,778,864	$ 6,764,310
Program - Private Equity	539,207	45,975	128,036	23,029	-	736,247
Program - Sustainable Development Fund	453,610	57,838	101,352	28,371	3,070,741	3,711,912
Program - Policy Solutions	1,158,898	202,539	473,386	65,671	-	1,900,494
Program - PolicyMap	467,784	128,092	318,003	16,194	-	930,073
Program - Development Partners	454,326	209,268	174,908	48,239	-	886,741
Management and general	2,563,497	423,799	308,321	63,093	-	3,358,710
	$ 7,875,785	$ 1,438,377	$ 2,801,065	$ 323,655	$ 5,849,605	$ 18,288,487

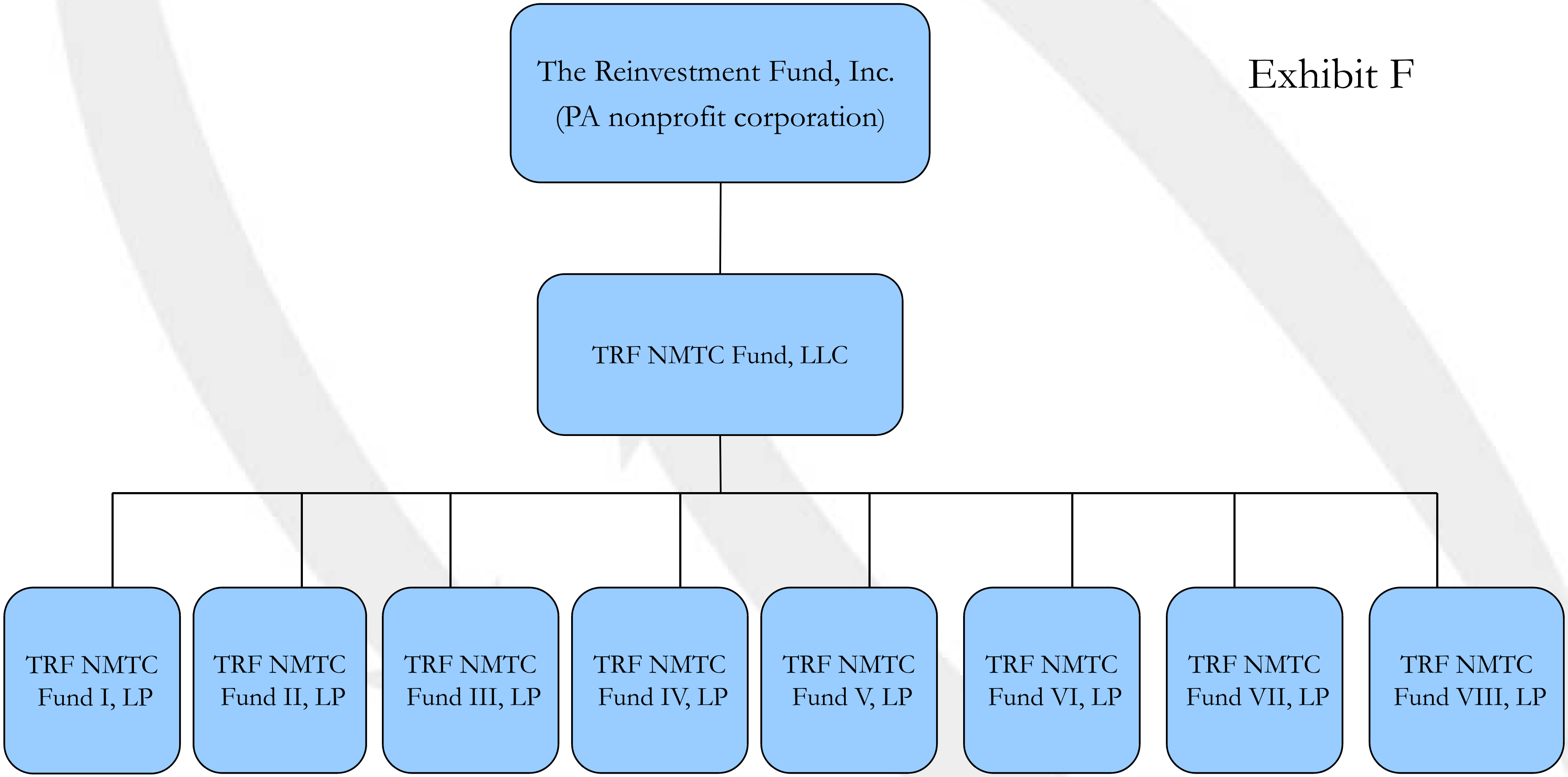
TRF Private Equity Holding Structure

Exhibit E



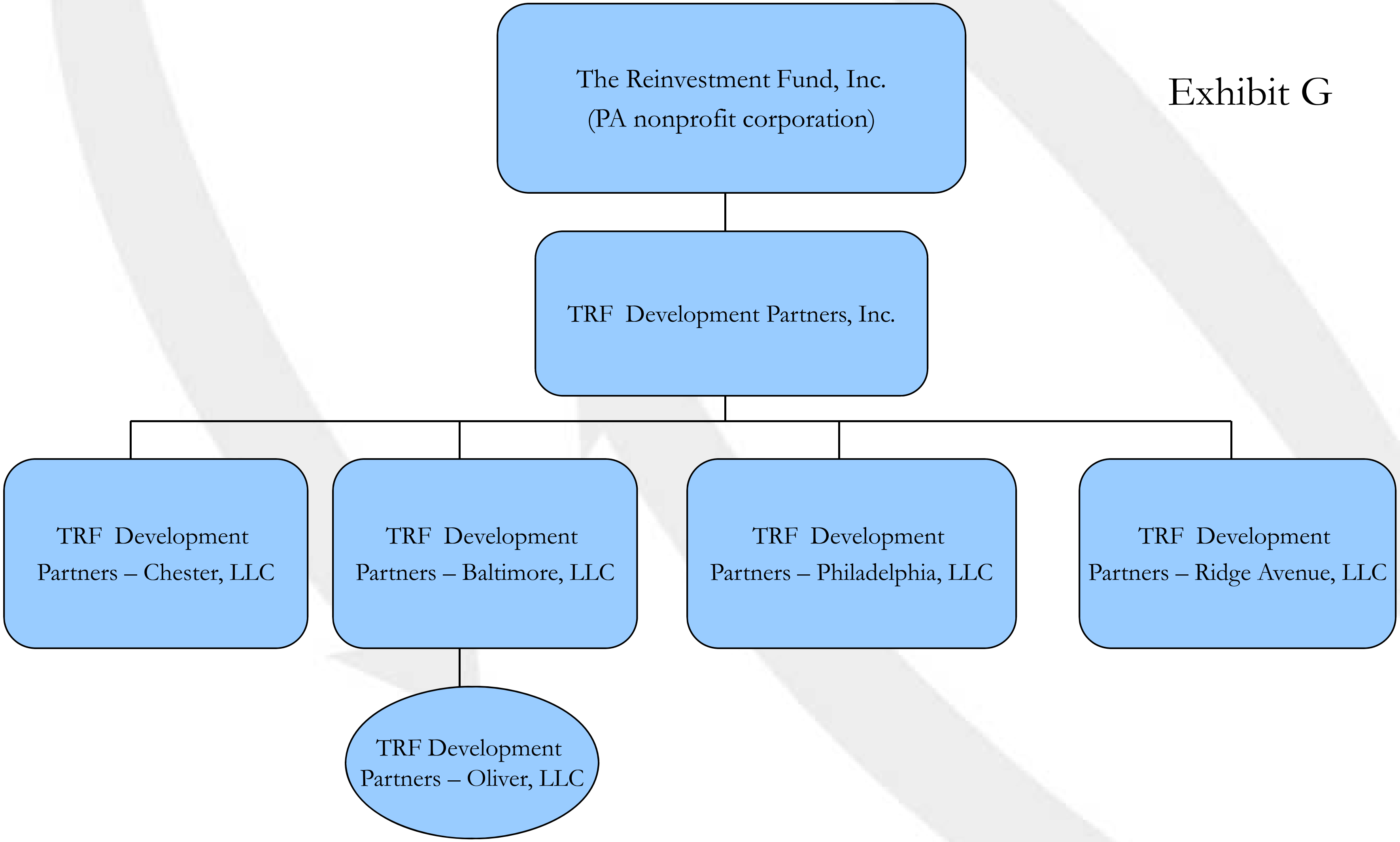
TRF NMTC Holding Structure

Exhibit F



TRF Development Partners Holding Structure

Exhibit G



Capital at the point of impact.

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