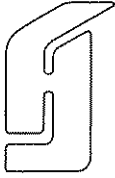


**Audited Combined Financial Statements**

**At March 31, 2009 and 2008 and For the Years Then Ended  
With Supplementary Schedules for Fiscal 2009**

**(Together with Independent Auditors' Report)**



## HACKER, JOHNSON & SMITH PA

Fort Lauderdale  
Fort Myers  
Orlando  
Tampa

Certified Public Accountants

### Unqualified Opinion on the Combined Financial Statements and Supplementary Schedules

#### Independent Auditors' Report

Neighborhood Lending Partners, Inc.  
Tampa, Florida:

We have audited the accompanying combined statements of financial position of Neighborhood Lending Partners, Inc. and Affiliates (the "Company") at March 31, 2009 and 2008, and the related combined statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Company at March 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2009 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedule of state financial assistance for the year ended March 31, 2009 is presented for purposes of additional analysis as required by *Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650 Rules of the Audit General* and is not a required part of the basic combined financial statements. In addition, the combining statement of financial position at March 31, 2009 and combining statement of activities for the year ended March 31, 2009 are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and changes in net assets of the individual companies. All such supplemental information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
June 15, 2009

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Combined Statements of Financial Position**

<b>Assets</b>	<u>At March 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash:		
Restricted	\$ 7,302,127	9,910,909
Unrestricted	<u>498,605</u>	<u>518,252</u>
Total cash	7,800,732	10,429,161
Short-term investments - money market funds	<u>359,433</u>	<u>117,277</u>
Cash and cash equivalents	8,160,165	10,546,438
Certificates of deposit	-	150,000
Investments, at market	252,220	251,250
Mortgage loans, net allowance for loan losses of \$22,809 and \$2,953 in 2009 and 2008	356,302	540,130
Mortgage loans, CDFI, net	12,147,361	11,449,075
Mortgage loans, FNMA	6,286,069	5,431,492
Mortgage loans, HHRP	5,782,300	3,665,526
Accrued interest receivable	191,570	141,719
Servicing fees receivable	48,028	41,424
Support receivable from member banks	-	27,500
Other receivables	523,838	470,183
Property and equipment, net	1,191,466	1,268,548
Foreclosed real estate	7,339,593	8,727,994
Other assets	<u>105,058</u>	<u>101,592</u>
Total assets	<u>\$ 42,383,970</u>	<u>42,812,871</u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	468,632	441,122
Notes payable due to FNMA	6,286,069	5,431,492
Escrow deposits	6,106,455	5,558,870
Due to the City of St. Petersburg	1,866,544	1,515,190
Mortgage note payable	846,994	864,093
Due to member banks	7,448,215	8,728,226
Revolving line of credit	29,807	-
Deferred revenue	<u>29,800</u>	<u>-</u>
Total liabilities	<u>23,082,516</u>	<u>22,538,993</u>
Commitments and contingencies (Notes 11, 12 and 13)		
Net assets:		
Unrestricted	<u>6,610,950</u>	<u>4,465,997</u>
Temporarily restricted:		
CDFI Grants	6,394,346	9,412,802
Other Grants	6,230,440	6,343,107
Member support	-	27,500
Future loan programs	<u>65,718</u>	<u>24,472</u>
Total temporarily restricted	<u>12,690,504</u>	<u>15,807,881</u>
Total net assets	<u>19,301,454</u>	<u>20,273,878</u>
Total liabilities and net assets	<u>\$ 42,383,970</u>	<u>42,812,871</u>

See accompanying Notes to Combined Financial Statements.

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Combined Statement of Activities**

**Year Ended March 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Grants	\$ 10,000	(95,100)	(85,100)
Loan servicing fees	729,213	-	729,213
Loan facilitation fees	577,613	-	577,613
Interest income, mortgage loans	489,706	41,626	531,332
Interest income and other	123,641	-	123,641
Net assets released from restrictions	<u>3,063,903</u>	<u>(3,063,903)</u>	<u>-</u>
Total revenues	<u>4,994,076</u>	<u>(3,117,377)</u>	<u>1,876,699</u>
Expenses:			
Salaries and employee benefits	1,304,237	-	1,304,237
Professional fees	180,395	-	180,395
Rental and maintenance	42,031	-	42,031
Office	69,745	-	69,745
Depreciation and amortization	78,748	-	78,748
Provision for loan losses	666,945	-	666,945
Interest expense	321,451	-	321,451
Travel	29,290	-	29,290
Other	<u>156,281</u>	<u>-</u>	<u>156,281</u>
Total expenses	<u>2,849,123</u>	<u>-</u>	<u>2,849,123</u>
Increase (decrease) in net assets	2,144,953	(3,117,377)	(972,424)
Net assets at beginning of year	<u>4,465,997</u>	<u>15,807,881</u>	<u>20,273,878</u>
Net assets at end of year	<u>\$ 6,610,950</u>	<u>12,690,504</u>	<u>19,301,454</u>

See accompanying Notes to Combined Financial Statements.

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Combined Statement of Activities**

**Year Ended March 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Grants	\$ -	4,510,055	4,510,055
Loan servicing fees	691,145	-	691,145
Loan facilitation fees	1,086,786	-	1,086,786
Interest income, mortgage loans	199,379	70,084	269,463
Member support	37,500	27,500	65,000
Interest income and other	261,756	-	261,756
Net assets released from restrictions	<u>225,513</u>	<u>(225,513)</u>	<u>-</u>
Total revenues	<u>2,502,079</u>	<u>4,382,126</u>	<u>6,884,205</u>
Expenses:			
Salaries and employee benefits	1,581,976	-	1,581,976
Professional fees	115,738	-	115,738
Rental and maintenance	47,584	-	47,584
Office	76,550	-	76,550
Depreciation and amortization	80,067	-	80,067
Credit for loan losses	(5,491)	-	(5,491)
Interest expense	98,576	-	98,576
Travel	57,878	-	57,878
Other	<u>252,977</u>	<u>-</u>	<u>252,977</u>
Total expenses	<u>2,305,855</u>	<u>-</u>	<u>2,305,855</u>
Increase in net assets	196,224	4,382,126	4,578,350
Net assets at beginning of year	<u>4,269,773</u>	<u>11,425,755</u>	<u>15,695,528</u>
Net assets at end of year	<u>\$ 4,465,997</u>	<u>15,807,881</u>	<u>20,273,878</u>

See accompanying Notes to Combined Financial Statements.

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Combined Statements of Cash Flows**

	<u>Year Ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (972,424)	4,578,350
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	78,746	78,825
Provision (credit) for loan losses	666,945	(5,491)
Amortization of deferred loan fees and costs, net	(4,510)	(4,395)
Unrealized gain on investments	(970)	(1,875)
Increase in accrued interest receivable	(49,851)	(16,608)
Increase in servicing fees receivable	(6,604)	(4,101)
Decrease in support receivable from member banks	27,500	-
Increase in other receivables	(53,655)	(161,598)
(Increase) decrease in other assets	(3,466)	18,128
Increase (decrease) in accounts payable and accrued expenses	27,510	(140,734)
Increase in escrow deposits	547,585	1,205,036
Increase (decrease) in due to member banks	108,390	(59,442)
Increase in deferred revenue	29,800	-
	<u>394,996</u>	<u>5,486,095</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Proceeds from certificate of deposit	150,000	-
Net additions of property and equipment	(1,664)	(36,101)
Net mortgage loan repayments (originations)	168,482	(46,332)
Net mortgage loan (originations) repayments - CDFI	(1,345,375)	306,443
Net mortgage loan originations - HHRP	(2,116,774)	(3,665,526)
Net mortgage loan originations - FNMA	(854,577)	(5,431,492)
	<u>(3,999,908)</u>	<u>(8,873,008)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Net increase in revolving line of credit	29,807	-
Proceeds of loans from FNMA	854,577	5,431,492
Proceeds (repayment) of loan from the City of St. Petersburg, net	351,354	(5,868)
Repayment of mortgage note payable	(17,099)	(15,907)
	<u>1,218,639</u>	<u>5,409,717</u>
Net cash provided by financing activities		
Net (decrease) increase in cash and cash equivalents	(2,386,273)	2,022,804
Cash and cash equivalents at beginning of year	10,546,438	8,523,634
Cash and cash equivalents at end of year	\$ <u>8,160,165</u>	<u>10,546,438</u>
Supplemental disclosure of cash flow information -		
Cash paid for interest	\$ <u>321,451</u>	<u>98,576</u>
Noncash transaction -		
(Decrease) increase in foreclosed real estate and due to member banks	\$ <u>(1,388,401)</u>	<u>8,727,994</u>

See accompanying Notes to Combined Financial Statements.

# NEIGHBORHOOD LENDING PARTNERS, INC.

## Notes to Combined Financial Statements

At March 31, 2009 and 2008 and For the Years Then Ended

### (1) Organization and Summary of Significant Accounting Policies

**Organization.** Prior to November 29, 2001, Neighborhood Lending Partners, Inc. ("NLP") was a private not-for-profit organization established to arrange for financing and provide technical assistance to facilitate the development of affordable housing in nineteen counties located in the West Florida area, and to otherwise support community development and redevelopment needs. NLP lessened the burden of government jurisdictions by working with public agencies to achieve maximum leverage of public and private dollars and provided technical assistance to project sponsors.

On November 29, 2001, the name of NLP was changed to Neighborhood Lending Partners of West Florida, Inc. ("NLPWF") and on the same date a new NLP was incorporated which became the parent affiliated company for NLPWF. All services previously provided by NLP are now provided by NLPWF. On February 19, 2002, Neighborhood Lending Partners of South Florida, Inc. ("NLPSF") was incorporated, which is also an affiliate of NLP, to provide the same services as NLPWF in four South Florida counties.

On December 22, 2003, NLP formed a new affiliate called Neighborhood Lending Partners of North Florida, Inc. ("NLPNF") to provide the same services as NLPWF and NLPSF in forty-four North Florida counties. NLPNF began operations on April 27, 2004.

On January 25, 2008, NLPSF formed two single purpose limited liability companies called NLP Plaza La Isabella, LLC ("NLPPi") and NLP Puerto Real, LLC ("NLPPR"). In addition, on September 9, 2008 NLPWF formed NLP Town and Country, LLC. The sole purpose of these entities is to hold foreclosed real estate.

The only activity of NLP is the operations of its affiliates. NLP, NLPWF, NLPSF and NLPNF are combined due to common control.

A consortium of member banks of NLPWF, NLPSF and NLPNF provide first mortgage loan commitment and funding capacity as provided under Loan Operating Agreements with each entity (the "Agreements"). Each member funds its proportionate share of a loan based on its proportionate share of the loan pool, subject to minimum funding criteria. Under the Agreements in place as of March 31, 2009, NLPWF, NLPSF and NLPNF can fund loans through two methods, participation loans or portfolio loans. Participation loans are loans where NLPWF, NLPSF or NLPNF have sold the loans directly to its members while portfolio loans are loans that NLPWF, NLPSF or NLPNF have put on its books as mortgage loans receivables and are funded through corresponding notes payable to member banks.

(continued)

NEIGHBORHOOD LENDING PARTNERS, INC.

Notes to Combined Financial Statements, Continued

(1) **Organization and Summary of Significant Accounting Policies, Continued**

**Organization, Continued.** Also NLPWF receives funding under grants from the Community Development Financial Institutions Fund ("CDFI"), State Housing Initiatives Partnership ("SHIP") funds and Hurricane Housing Recovery Program ("HHRP") funds from local jurisdictions in which NLPWF operates. These funds are used to provide second or third mortgage loans in housing developments that provide for low-income families and residents and for residents with "special housing needs" (see Note 11).

**Basis of Presentation.** The accompanying combined financial statements include NLP, NLPWF, NLPSF and NLPNF (collectively the "Company"). All significant intercompany accounts and transactions have been eliminated.

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America. The following summarizes the more significant of these policies and practices.

**Estimates.** The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Financial Statement Presentation.** The Company follows Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under this Statement, the Company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the expenses are required to be reported by their functional classification. All expenses of the Company are program services relating to lending activities.

**Restricted Cash.** At March 31, 2009, restricted cash represented \$1,021,332 received from CDFI and \$108,622 of principal, interest and risk fee payments received from borrowers and due to local jurisdictions under the CDFI Program and member banks. In addition, \$65,718 was restricted for future loan programs. Also, restricted cash included \$6,106,455 of escrow payments received from borrowers.

At March 31, 2008, restricted cash represented \$1,434,524 received from CDFI, \$2,504,529 received from DeSoto County and \$323,382 received from Pasco County which had not yet been disbursed under the CDFI program (see Note 11) and \$65,132 of principal, interest and risk fee payments received from borrowers and due to local jurisdictions under the CDFI Program and member banks. In addition, \$24,472 was restricted for future loan programs. Also, restricted cash included \$5,558,870 of escrow payments received from borrowers.

(continued)



# NEIGHBORHOOD LENDING PARTNERS, INC.

## Notes to Combined Financial Statements, Continued

### (1) Organization and Summary of Significant Accounting Policies, Continued

**Grants.** The Company follows Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made*. This Statement requires grants received to be recognized as revenue in the period received at their fair values. This Statement also requires not-for-profit organizations to distinguish between grants received that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. It also requires recognition of the expiration of donor imposed restrictions in the period in which the restrictions expire. Therefore, the Company reports its grants from CDFI as restricted support due to the terms and covenants included in the agreements (see Note 11). When the grant restriction expires, that is, when the stipulated time restriction ends and the purpose of the 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. The grants received from counties and cities in connection with the CDFI program will always be classified as temporarily restricted net assets (see Note 11). CDFI program funds are required to be used primarily for affordable housing and economic development.

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on deposit in financial institutions with original maturities of less than three months.

**Investments.** Investments in debt securities are measured at fair value in the accompanying combined statements of financial position. Gains and losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law.

**Loans.** Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal adjusted for any charge-offs, the allowance for loan losses, and any deferred fees or costs on originated loans.

Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield of the related loan. Commitment fees are capitalized and amortized over the commitment and loan term using the level yield method. If the commitment expires unexercised, the unamortized fee is recognized in revenue.

The allowance for loan losses on loans made under the CDFI program and loans not funded through corresponding notes payable to member banks is increased by charges to income and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Company's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and current economic conditions.

(continued)

# NEIGHBORHOOD LENDING PARTNERS, INC.

## Notes to Combined Financial Statements, Continued

### (1) Organization and Summary of Significant Accounting Policies, Continued

**Loans, Continued.** For mortgage loans originated by the Company whose funding is provided by member banks through loans to the Company under the Agreements, the Company does not maintain an allowance for mortgage loan losses because the loans are the sole collateral for the notes payable to member banks. The notes are without recourse to the Company. Any losses on the loans will be absorbed by the member banks in proportion to their relative funding percentage.

**Property and Equipment.** Land is carried at cost. Building, furniture, fixtures and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets.

**Foreclosed Real Estate.** Property acquired in foreclosure or deed in lieu of foreclosure is carried at the lower of estimated fair value or the cost of the loan. Costs related to the development or improvement of the property are capitalized, where as those related to holding the property are charged to expense, unless they are recoverable from member banks. Valuations are periodically performed by management and losses are charged to operating activities if the carrying amount exceeds the estimated fair value.

**Due to Member Banks.** Due to member banks at March 31, 2009 and 2008, includes \$108,622 and \$232, respectively related to loan payoffs for loans sold to the member banks. Such amounts were remitted to the member banks in April, 2008 and 2007, respectively. In addition, at March 31, 2009 and 2008 due to member banks includes \$7,339,593 and \$8,727,994, respectively, related to amounts due to member banks in connection with certain foreclosed real estate. These amounts are expected to be repaid upon sale of the real estate (see Note 4).

**Loan Facilitation Fees.** Loan facilitation fees totaled \$577,613 and \$1,086,786 for the years ended March 31, 2009 and 2008, respectively on loans originated by the Company for member banks.

**Loan Servicing Fees.** Loan servicing fees totaled \$729,213 and \$691,145 for the years ended March 31, 2009 and 2008, respectively. The servicing portfolio totaled approximately \$167,667,000 and \$134,796,000 at March 31, 2009 and 2008, respectively.

**Fair Value Measurements.** Effective April 1, 2008, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements.

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

(continued)

# NEIGHBORHOOD LENDING PARTNERS, INC.

## Notes to Combined Financial Statements, Continued

### (1) Organization and Summary of Significant Accounting Policies, Continued

*Fair Value Measurements, Continued.* Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable. Valuations may be obtained from, or corroborated by, third-party pricing services.

Level 3: Unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

In February 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 157-2, *Effective Date of FASB Statement No. 157*. This FSP delays the effective date of FAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. The impact of adoption had no effect on the Company.

In October 2008, the FASB issued FASB Staff Position No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*. This FASB Staff Position clarifies the application of SFAS 157, in determining the fair value of a financial asset when the market for that financial asset is not active. This FASB Staff Position was effective upon issuance.

The following describes valuation methodologies used for assets measured at fair value:

*Investments.* Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government bonds, certain mortgage products and exchange-traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include certain collateralized mortgage and debt obligations and certain high-yield debt securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. Securities classified within Level 3 include certain residual interests in securitizations and other less liquid securities. The fair value of the Company's investments at March 31, 2009 is based on Level 2 measurements.

(continued)

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(1) Organization and Summary of Significant Accounting Policies, Continued**

***Fair Value Measurements, Continued.***

*Foreclosed Real Estate.* Estimates of fair value are determined based on a variety of information, including the use of available appraisals, estimates of market value by licensed appraisers or local real estate brokers and the knowledge and experience of the Company's management related to values of properties in the Company's market areas. Management takes into consideration the type, location and occupancy of the property as well as current economic conditions in the area the property is located in assessing estimates of fair value. Accordingly, fair value estimates for foreclosed real estate are classified as Level 3.

**(2) Allowance for Loan Losses**

A summary of the activity in the allowance for loan losses is as follows:

	<b>Year Ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Beginning balance	\$ 122,825	128,316
Provision (credit) for loan losses	666,945	(5,491)
Charge-offs	(668,465)	—
Ending balance <sup>(1)</sup>	<u>\$ 121,305</u>	<u>122,825</u>

<sup>(1)</sup> Includes the allowance for loan losses for mortgage loans and mortgage loans, CDFI (see Note 11).

**(3) Property and Equipment, Net**

Property and equipment consists of the following:

	<b>At March 31,</b>	
	<b>2009</b>	<b>2008</b>
Land	\$ 153,032	153,032
Building	1,072,220	1,072,220
Furniture and fixtures	148,716	148,716
Equipment	<u>100,299</u>	<u>98,235</u>
Total, at cost	1,474,267	1,472,203
Less accumulated depreciation and amortization	<u>(282,801)</u>	<u>(203,655)</u>
Property and equipment, net	<u>\$ 1,191,466</u>	<u>1,268,548</u>

(continued)

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(4) Foreclosed Real Estate**

During the year ended March 31, 2008, two projects which were funded by member banks entered into foreclosure proceedings. As a result of the foreclosure, the Company obtained title to the properties and also incurred costs in connection with holding the properties. The Company expects to recover all costs incurred from member banks at the time of sale of the properties. Net proceeds will be distributed to the member banks that funded the projects. Such distributions will be net of costs incurred by the Company and any unpaid property taxes. At March 31, 2009 and 2008 the amount due to member banks, net of costs incurred was \$6,946,650 and \$8,407,411, respectively.

**(5) Note Payable to Fannie Mae**

In fiscal 2008, the Company entered into revolving credit arrangement with Fannie Mae for up to \$10,000,000 for the construction of multi-family projects. The credit arrangement with Fannie Mae is collateralized by the assignment of the related notes and mortgages and is funded prior to funding by the member banks. The revolving credit arrangement expires May 31, 2010. Also the member banks have guaranteed the notes and have agreed to fund the permanent loans at the end of the construction period. The amounts due are as follows:

	<u>At March 31,</u>	
	<u>2009</u>	<u>2008</u>
Note payable at LIBOR plus .90%.	\$ <u>6,286,069</u>	<u>5,431,492</u>

**(6) Mortgage Note Payable**

The Company has a note payable outstanding with a member bank for the funding of their main office building. The note is payable in monthly principal and interest payments totaling \$5,947 through September 2015. The note payable is collateralized by a building with a net book value of \$1,131,767 at March 31, 2009. Principal payments are as follows:

<u>Year Ended March 31,</u>	<u>Amount</u>
2010	\$ 18,717
2011	20,076
2012	19,638
2013	20,792
2014	22,130
Thereafter	<u>745,641</u>
Total principal payments	\$ <u>846,994</u>

**(7) Revolving Line of Credit**

The Company has a \$1 million revolving line of credit with a bank. The line of credit bears interest at LIBOR plus 1.5% and is collateralized by the Company's unrestricted cash balances at the bank. The balance outstanding at March 31, 2009 was \$29,807.

(continued)

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(8) Related Party Transactions and Concentrations of Credit Risk**

The Company had \$8,160,165 and \$10,546,438 on deposit with member banks in general operating accounts, payroll accounts, escrow accounts and short-term investment accounts as of March 31, 2009 and 2008, respectively.

**(9) Tax Status**

NLP, based on its Internal Revenue Service determination letter, dated November 13, 1997, is a publicly supported organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying combined financial statements do not include any provision for income taxes.

**(10) Retirement Plan**

The Company has a profit sharing plan established in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The profit sharing plan is available to all employees electing to participate after meeting certain length of service requirements. The Company contributed \$68,812 and \$78,317 to the plan during the years ended March 31, 2009 and 2008, respectively.

**(11) Community Development Financial Institutions Program**

In fiscal years 2003, 2002 and 1997, the Company was awarded grants, subject to certain conditions, in the amounts of \$1,067,000, \$2,000,000 and \$2,500,000, respectively, from the CDFI which were matched with grants from ten of the local jurisdictions in which operations are conducted (Hernando, Hillsborough, Pasco, Pinellas, Highlands, Sumter, Sarasota and Polk Counties and the Cities of St. Petersburg and Sarasota). The matching funds are provided from the local allocations from the State of Florida's SHIP Funds. All funds, except for those received from the City of St. Petersburg 1997 grant agreement, are used as a revolving loan fund to provide second or third mortgage loans that are needed to meet gap financing requirements in housing developments for low-income families and residents and for "special needs" housing. To obtain financing under the program a minimum of 20% of the units must be reserved for individuals and families earning 50% or less than the area median income. Mortgage loans, CDFI, are as follows:

	<u>At March 31,</u>	
	<u>2009</u>	<u>2008</u>
Mortgage loans	\$ 12,360,734	11,683,429
Less:		
Allowance for loan losses	(98,496)	(119,872)
Unamortized loan fees and costs, net	(114,877)	(114,482)
	<u>\$ 12,147,361</u>	<u>11,449,075</u>

There were no impaired loans, nonaccrual loans or loans past due ninety days or more and still accruing interest at March 31, 2009 or 2008.

(continued)

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(11) Community Development Financial Institutions Program, Continued**

Temporarily restricted grant revenue relating to the CDFI program is as follows:

Name	At March 31,	
	2009	2008
CDFI - 1997	\$ -	-
Matching funds:		
Pasco County	894,635	894,635
Hillsborough County	1,315,135	1,315,135
Pinellas County	50,000	50,000
Polk County	<u>857,120</u>	<u>857,120</u>
Total	<u>3,116,890</u>	<u>3,116,890</u>
CDFI – 2002	-	1,964,956
Matching funds:		
Hillsborough County	1,169,100	1,169,100
City and County of Sarasota	800,000	800,000
Polk County	666,000	666,000
Pasco County	<u>442,356</u>	<u>442,356</u>
Total	<u>3,077,456</u>	<u>5,042,412</u>
CDFI – 2003	-	1,053,500
Matching funds-		
Hernando County	<u>200,000</u>	<u>200,000</u>
Total	<u>200,000</u>	<u>1,253,500</u>
Temporarily restricted net assets – CDFI grants	<u>\$ 6,394,346</u>	<u>9,412,802</u>

Under the agreements with CDFI-2003 and CDFI-2002, the Company was required to comply with various terms and covenants which, among other things, includes the achievement of certain performance goals and the maintaining of certain financial statement ratios. In the event of default, CDFI has various remedies which include the required repayment of any funds distributed to the Company. For financial statement presentation purposes, all funds received under these agreements were classified as temporarily restricted net assets through the terms of the agreements.

(continued)

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(11) Community Development Financial Institutions Program, Continued**

The matching funds received from the Counties and the City and County of Sarasota are classified as grants and will be maintained as revolving lines to be used for future lending under the program. All principal payments received from borrowers will be retained by the Company and used to fund subsequent loans in the respective counties or cities. All such subsequent loans will require approval of the specific County or City and must be in accordance with the provisions of the CDFI guidelines. Due to the requirement that the Counties and Cities approve all subsequent loans under these grants, such grants will be recorded as temporarily restricted net assets. The Company retains 50% of all interest collected, a portion of which is to be used for future loan programs and a portion to cover administration costs. The remaining 50% is remitted to the Counties and Cities.

At March 31, 2009 and 2008, principal and interest payments received from borrowers and interest earned but not yet collected from borrowers that is due to local jurisdictions is included in accounts payable and accrued expenses.

**(12) Temporarily Restricted Net Assets – Other Grants**

Temporarily restricted net assets – other grants consist of the following:

	<b>At March 31,</b>	
	<b>2009</b>	<b>2008</b>
DeSoto County - HHRP	\$ 3,229,529	3,604,529
Polk County - HHRP	2,555,526	2,555,526
Polk County – SHIP Grant	425,000	-
St. Petersburg – SHIP Grant	-	145,100
Fannie Mae Lending Grant	-	10,000
Fannie Mae Administrative Grant	-	23,500
Other grants	<u>20,385</u>	<u>4,452</u>
Temporarily restricted net assets - other grants	<u>\$ 6,230,440</u>	<u>6,343,107</u>

(continued)



**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Notes to Combined Financial Statements, Continued**

**(12) Temporarily Restricted Net Assets – Other Grants, Continued**

The amounts received under the HHRP program are classified as grants and will be maintained as revolving lines to be used for future lending under the program. All such subsequent loans will require approval of the specific County and must be in accordance with the provisions of the HHRP guidelines. Due to the requirement that the Counties approve all subsequent loans under these grants, such grants are recorded as temporarily restricted net assets. The Company retains 50% of all interest collected, a portion of which is to be used for future loan programs and a portion to cover administration costs. The remaining 50% is remitted to the Counties.

**(13) Commitments**

At March 31, 2009, the Company had total loan commitments of \$2,500,000 relating to loans to be funded by the Company with loans from member banks and loans where the Company arranges the financing which is funded by member banks.

The Agreements provided a total loan commitment capacity of \$160,840,068 as of March 31, 2009. The capacity of the member loan pool had the following usage:

	<u>NLPSF</u>	<u>NLPWF</u>	<u>NLPNF</u>
Participation loans:			
Closed and funded	\$ 58,794,411	60,857,989	36,287,668
Closed, but not yet funded	<u>2,400,000</u>	<u>-</u>	<u>-</u>
Subtotal for participation loans	61,194,411	60,857,989	36,287,668
Member loans committed, but not yet closed	2,500,000	-	-
Limited loan guarantees secured by the member loan pool	-	-	-
Available capacity for future commitments	<u>-</u>	<u>-</u>	<u>-</u>
Total member loan pool capacity	\$ <u>63,694,411</u>	<u>60,857,989</u>	<u>36,287,668</u>

## NEIGHBORHOOD LENDING PARTNERS, INC.

## Schedule of State Financial Assistance

For the Year Ended March 31, 2009

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Award/ Contract Grant Number</u>	<u>Expenditures</u>
<u>State Projects:</u>			
<u>State Housing Incentive Program</u>			
Passed through the following jurisdiction:			
City of St. Petersburg	52.901	*	\$ 216,970
Hillsborough County	52.901	*	20,436
Polk County	52.901	*	216,970
<u>Hurricane Housing Relief Program</u>			
Passed through the following jurisdiction:			
DeSoto County	52.902	*	<u>2,129,529</u>
			<u>\$ 2,583,905</u>

\* Per discussion with a county representative, the contract/grant number is not known.

**NEIGHBORHOOD LENDING PARTNERS, INC.**

**Schedule of State Financial Assistance, Continued**

**For the Year Ended March 31, 2009**

Note A - Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of Neighborhood Lending Partners, Inc. and is presented on the same basis as stated in Note 1, Summary of Significant Accounting Policies, in the accompanying combined financial statements. The information in this schedule is presented in accordance with the requirements of Audits of States, Local Governments, and Non-Profit Organizations and Rule 10.650 of the Auditor General.

## NEIGHBORHOOD LENDING PARTNERS, INC.

## Combining Statement of Financial Position

At March 31, 2009

Assets	NLP	NLPWF	NLPWF	NLPWF	NLPWF	NLPNF	NLPPI	NLPPR	Eliminations	Combined
Cash:										
Restricted	3,988	4,775,128	1,989,418	533,593	-	-	-	-	-	7,302,127
Unrestricted	-	498,605	-	-	-	-	-	-	-	498,605
Total cash	3,988	5,273,733	1,989,418	533,593	-	-	-	-	-	7,800,732
Short-term investments	-	359,433	-	-	-	-	-	-	-	359,433
Cash and cash equivalents	3,988	5,633,166	1,989,418	533,593	-	-	-	-	-	8,160,165
Investments	-	252,220	-	-	-	-	-	-	-	252,220
Mortgage loans, net	-	248,347	99,000	8,955	-	-	-	-	-	356,302
Mortgage loans, CDFI, net	-	12,147,361	-	-	-	-	-	-	-	12,147,361
Mortgage loans, FNMA, net	-	2,717,366	-	3,568,703	-	-	-	-	-	6,286,069
Mortgage loans, HHRP, net	-	5,782,300	-	-	-	-	-	-	-	5,782,300
Accrued interest receivable	-	183,593	2,492	3,485	-	-	-	-	-	191,570
Servicing fees receivable	-	40,295	7,733	-	-	-	-	-	-	48,028
Other receivables	101,689	636,059	173,133	17,784	-	-	-	-	(404,827) <sup>(b)</sup>	523,838
Property and equipment, net	1,191,466	-	-	-	-	-	-	-	-	1,191,466
Investment in affiliates	19,134,574	-	-	-	-	-	-	-	(19,134,574) <sup>(b)</sup>	-
Foreclosed real estate	-	-	-	-	-	-	-	-	-	7,339,593
Other assets	90,417	14,641	-	-	-	-	4,276,404	3,063,189	-	103,038
Total assets	\$ 20,522,134	27,657,348	2,271,776	4,132,520	4,276,404	4,170,162	4,276,404	3,063,189	(19,539,401)	42,383,970
<b>Liabilities and Net Assets</b>										
Liabilities:										
Accounts payable and accrued expenses	373,686	348,760	77,783	73,230	-	-	-	-	404,827 <sup>(b)</sup>	468,632
Escrow deposits	-	3,676,688	2,009,672	420,095	-	-	-	-	-	6,106,455
Due to the City of St. Petersburg	-	1,866,544	-	-	-	-	-	-	-	1,866,544
Note payable	846,994	-	-	-	-	-	-	-	-	846,994
Note payable due to FNMA	-	2,717,366	-	3,568,703	-	-	-	-	-	6,286,069
Revolving line of credit	-	6,546	23,261	-	-	-	-	-	-	29,807
Due to member banks	-	488	-	108,134	-	-	-	-	-	7,448,215
Deferred revenue	-	-	29,800	-	-	-	-	-	-	29,800
Total liabilities	1,220,680	8,616,392	2,140,516	4,170,162	4,276,404	4,170,162	4,276,404	3,063,189	404,827	23,082,516
Net assets:										
Unrestricted	6,610,950	6,350,452	131,260	(37,642)	-	-	-	-	6,444,070 <sup>(a)</sup>	6,610,950
Temporarily restricted:										
CDFI Grants	6,394,346	6,394,346	-	-	-	-	-	-	6,394,346 <sup>(a)</sup>	6,394,346
Other grants	6,230,440	6,230,440	-	-	-	-	-	-	6,230,440 <sup>(a)</sup>	6,230,440
Future loan programs	65,718	65,718	-	-	-	-	-	-	65,718 <sup>(a)</sup>	65,718
Total temporarily restricted	12,690,504	12,690,504	-	-	-	-	-	-	12,690,504 <sup>(a)</sup>	12,690,504
Total net assets	19,301,454	19,040,956	131,260	(37,642)	-	-	-	-	19,134,574	19,301,454
Total liabilities and net assets	\$ 20,522,134	27,657,348	2,271,776	4,132,520	4,276,404	4,170,162	4,276,404	3,063,189	(19,539,401)	42,383,970

(a) to eliminate investment in affiliates  
(b) to eliminate intercompany receivables and payables

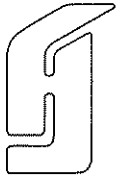
## NEIGHBORHOOD LENDING PARTNERS, INC.

## Combining Statement of Activities

For the Year Ending March 31, 2009

	NLP	NLPWF	NLPSE	NLPNF	NLPPI	NLPFR	Eliminations	Combined
Revenues:								
Grants	\$ -	(85,100)	-	-	-	-	-	(85,100)
Loan servicing fees	148,109	518,763	92,167	118,283	-	-	(148,109) <sup>(e)</sup>	729,213
Loan facilitation fees	-	130,590	239,686	207,337	-	-	-	577,613
Interest income, mortgage loans	-	420,184	3,985	107,163	-	-	-	531,332
Interest income and other	<u>(971,775)</u>	<u>109,226</u>	<u>9,338</u>	<u>5,077</u>	-	-	<u>971,775<sup>(e)</sup></u>	<u>123,641</u>
Total revenues	<u>(823,666)</u>	<u>1,093,663</u>	<u>345,176</u>	<u>437,860</u>	-	-	<u>823,666</u>	<u>1,876,699</u>
Expenses:								
Salaries and employee benefits	148,109	688,728	308,191	159,209	-	-	-	1,304,237
Professional fees	-	87,374	65,696	27,325	-	-	-	180,395
Rental and maintenance	-	25,272	7,539	9,220	-	-	-	42,031
Office	-	43,403	14,646	11,696	-	-	-	69,745
Depreciation and amortization	-	52,660	13,044	13,044	-	-	-	78,748
Provision for loan losses	-	666,945	-	-	-	-	-	666,945
Interest expense	-	203,307	18,831	99,313	-	-	-	321,451
Travel	-	10,233	12,548	6,509	-	-	-	29,290
Other	<u>649</u>	<u>91,560</u>	<u>115,602</u>	<u>96,579</u>	-	-	<u>(148,109)<sup>(e)</sup></u>	<u>156,281</u>
Total expenses	<u>148,758</u>	<u>1,869,482</u>	<u>556,097</u>	<u>422,895</u>	-	-	<u>(148,109)<sup>(e)</sup></u>	<u>2,849,123</u>
(Decrease) increase in net assets	(972,424)	(775,819)	(210,921)	14,965	-	-	971,775	(972,424)
Net assets at beginning of year	<u>20,273,878</u>	<u>19,816,775</u>	<u>342,181</u>	<u>(52,607)</u>	-	-	<u>20,106,349<sup>(b)</sup></u>	<u>20,273,878</u>
Net assets at end of year	<u>\$ 19,301,454</u>	<u>19,040,956</u>	<u>131,260</u>	<u>(37,642)</u>	-	-	<u>19,134,574<sup>(b)</sup></u>	<u>19,301,454</u>

- (a) to eliminate increase (decrease) in net assets of affiliates  
(b) to eliminate fund balance of affiliates  
(c) to eliminate intercompany revenue and expenses



**HACKER, JOHNSON & SMITH PA**

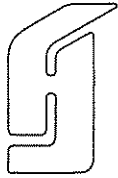
Fort Lauderdale  
Fort Myers  
Orlando  
Tampa

Certified Public Accountants

**Summary Schedule of Prior Audit Findings**

June 15, 2009

There were no prior audit findings or questioned costs relative to Federal awards identified in the audit of Neighborhood Lending Partners, Inc. for the year ended March 31, 2008.



**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Combined  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Directors  
Neighborhood Lending Partners, Inc.  
Tampa, Florida:

We have audited the financial statements of Neighborhood Lending Partners, Inc. (the "Company"), as of and for the year ended March 31, 2009, and have issued our report thereon dated June 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

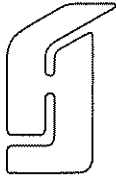
As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
June 15, 2009





**Report on Compliance with Requirements Applicable to Each Major  
Federal Program and State Project and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

The Board of Directors  
Neighborhood Lending Partners, Inc.  
Tampa, Florida:

Compliance

We have audited the compliance of Neighborhood Lending Partners, Inc. (the "Company") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to its major federal programs and state projects for the year ended March 31, 2009. The Company's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs and state projects is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Company's compliance with those requirements.

In our opinion, the Company complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs and state projects for the year ended March 31, 2009.

Internal Control Over Compliance

The management of the Company is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Company's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

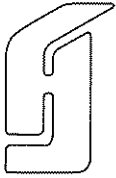
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hacker, Johnson & Smith PA*

HACKER, JOHNSON & SMITH PA  
Tampa, Florida  
June 15, 2009



**Neighborhood Lending Partners, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended March 31, 2009**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

X Material weaknesses identified? \_\_\_ yes X no

X Reportable conditions identified  
that are not considered to be  
material weaknesses? \_\_\_ yes X none reported

Noncompliance material to financial  
statements noted? \_\_\_ yes X no

*Federal Awards*

Internal control over major program:

X Material weaknesses identified? \_\_\_ yes X no

X Reportable conditions identified  
that are not considered to be  
material weaknesses? \_\_\_ yes X none reported

Type of auditors' report issued on compliance for major program: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with Section  
510(a) of Circular A-133? \_\_\_ yes X no

Identification of major program:

*CFDA Number*

*Name of Federal Program*

21.020

Community Development Financial  
Institutions Fund

Dollar threshold used to distinguish  
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes \_\_\_ no

*State Awards*

Internal control over major state project:

X Material weaknesses identified? \_\_\_\_\_ yes X no

X Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported

Type of auditors' report issued on compliance for major state project: Unqualified

Any audit findings disclosed that are required to be reported under Rule 10.650. \_\_\_\_\_ yes X no

Identification of major project:

*CSFA Number*

*Name of State Program*

52.902

Hurricane Housing Relief Program

52.901

State Housing Incentive Program

Dollar threshold used to distinguish between type A and type B programs:

\$100,000

**Section II – Financial Statement Findings**

No reportable conditions, material weaknesses, or instances of noncompliance relating to the combined financial statements were identified that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards* or auditing standards generally accepted in the United States of America.

**Section III – Federal and State Award Findings and Questioned Costs**

No audit findings were identified that are required to be reported by section 510(a) of Circular A-133 or under Rule 10.650 of the Auditor General. No management letter is required under Rule 10.650 of the Auditor General.

If you have any questions please call Steve Kania at (813) 282-7228.

Very truly yours,

HACKER, JOHNSON & SMITH PA



Stephen R. Kania

SRK/yea



## **Corrective Action Plan**

June 15, 2009

No corrective action plan is necessary because the auditors' did not identify any audit findings in connection with the audit of Neighborhood Lending Partners, Inc. for the year ended March 31, 2009.