

THE NLHA EDUCATION FUND

FINANCIAL STATEMENTS

February 28, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The NLHA Education Fund

We have audited the accompanying statements of financial position of The NLHA Education Fund as of February 28, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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. 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 financial statements referred to above present fairly, in all material respects, the financial position of The NLHA Education Fund as of February 28, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Otis | Atwell". The signature is written in a cursive style.

Certified Public Accountants

April 11, 2011
South Portland, Maine

THE NLHA EDUCATION FUND
STATEMENTS OF FINANCIAL POSITION

February 28, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash - Checking Account	\$ 1,225	\$ 425
Cash - Savings Account	<u>146,070</u>	<u>44,406</u>
Total Cash	<u>147,295</u>	<u>44,831</u>
TOTAL ASSETS	<u><u>\$ 147,295</u></u>	<u><u>\$ 44,831</u></u>

LIABILITIES AND NET ASSETS

NET ASSETS		
NET ASSETS - UNRESTRICTED	<u>\$ 147,295</u>	<u>\$ 44,831</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 147,295</u></u>	<u><u>\$ 44,831</u></u>

See accompanying notes to the financial statements.

THE NLHA EDUCATION FUND

STATEMENTS OF ACTIVITIES

For the Years Ended February 28, 2011 and 2010

	<u>2011</u>	<u>2010</u>
INCOME		
Donations (Note 2)	\$ 151,475	\$ 26,050
Interest	189	70
Total Income	<u>151,664</u>	<u>26,120</u>
OPERATING EXPENSES		
Scholarship Awards (Note 3)	48,000	36,000
Accounting	1,100	1,173
Legal	-	341
Other	100	40
Total Operating Expenses	<u>49,200</u>	<u>37,554</u>
CHANGE IN NET ASSETS	102,464	(11,434)
NET ASSETS - UNRESTRICTED at the Beginning of the Year	<u>44,831</u>	<u>56,265</u>
NET ASSETS - UNRESTRICTED at the End of the Year	<u><u>\$ 147,295</u></u>	<u><u>\$ 44,831</u></u>

See accompanying notes to the financial statements.

THE NLHA EDUCATION FUND
STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Change in Net Assets	<u>\$ 102,464</u>	<u>\$ (11,434)</u>
Net Cash Provided (Used) by Operating Activities	<u>102,464</u>	<u>(11,434)</u>
Net Increase (Decrease) in Cash	102,464	(11,434)
Cash at Beginning of Year	<u>44,831</u>	<u>56,265</u>
Cash at End of Year	<u><u>\$ 147,295</u></u>	<u><u>\$ 44,831</u></u>

See accompanying notes to the financial statements.

THE NLHA EDUCATION FUND

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The NLHA Education Fund is a not-for-profit corporation set up to collect donations from affordable housing providers and other interested parties to provide funds to eligible applicants for scholarships and other education related activities that will help low-income persons to achieve self-sufficiency or otherwise better their economic situations.

Method of Accounting - The financial statements of the Corporation are prepared on the accrual basis of accounting, and include only those assets, liabilities and results of operations which relate to the business of The NLHA Education Fund.

Income Taxes - The Corporation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from federal and state income taxes.

Cash - For purposes of reporting cash flows, cash includes cash on hand and amounts due from banks

Use of Estimates - The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through April 11, 2011, the date the financial statements were available to be issued.

NOTE 2 - DONATIONS

During the years ended February 28, 2011 and 2010, donations totaling \$151,475 and \$26,050, respectively, were received from various individuals and other entities interested in supporting the growth of low income housing assistance.

NOTE 3 - SCHOLARSHIP AWARDS

During the year ended February 28, 2011, the Corporation gave scholarships to 24 individuals in the amount of \$2,000 each for a total of \$48,000. During the year ended February 28, 2010, the Corporation gave scholarships to 18 individuals in the amount of \$2,000 each, for a total of \$36,000. Scholarships are paid directly to the higher education institution for education related expenses.

Scholarships can be awarded to individuals living in federally assisted housing or Section 8 voucher recipients who are either: graduating high school seniors, students returning to an undergraduate program, or non-traditional students pursuing higher education or training.

THE NLHA EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - FUNCTIONAL EXPENSES

The costs of providing the program are summarized on a functional basis as follows:

	<u>2011</u>	<u>2010</u>
Program Services		
Scholarship Awards	\$ 48,000	\$ 36,000
Supportive Services		
General and Administrative	1,200	1,554
Fundraising	-	-
	<u>\$ 49,200</u>	<u>\$ 37,554</u>