ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
REPORTS REQUIRED BY
FLORIDA SINGLE AUDIT ACT

For the year ended December 31, 2013

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Members of
Advantage Capital Community Development Fund, L.L.C.:

Report on Compliance for Each Major State Project

We have audited the compliance of Advantage Capital Community Development Fund, L.L.C. (the "Company") with the types of compliance requirements described in the *Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on each of the Company's major State projects for the year ended December 31, 2013. The Company's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and Chapter 10.650, Rules of the Auditor General. Those standards 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 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 on compliance for each major State project. However, our audit does not provide a legal determination on the Company's compliance with those requirements.

Opinion on Each Major State Project

In our opinion, the Company complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended, December 31, 2013.

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Report on Internal Control Over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

Cleveland, Ohio
April 24, 2014

NOVOGRADAC
& COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

To the Members of
Advantage Capital Community Development Fund, L.L.C.:

We have audited the financial statements of Advantage Capital Community Development Fund, L.L.C. ("the Company"), as of and for the fiscal year ended December 31, 2013, and have issued our report thereon dated March 21, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. We have issued our Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, Rules of the Auditor General, and Schedule of Findings and Questioned Costs – State Projects. Disclosures in those reports and schedule, which are dated April 24, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General, which requires disclosure in the management letter noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and the Company's management and is not intended to be and should not be used by anyone other than these specified parties.

Novogradac & Company LLP

Cleveland, Ohio
April 24, 2014

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ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

Fiscal Year Ended December 31, 2013

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the Company's basic financial statements.

2. No significant deficiencies in internal control were disclosed during the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of the Company were disclosed during the audit.

4. No significant deficiencies in internal control over a major State project were reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General.

5. The auditor's report on compliance with requirements that could have a direct and material effect on each major State project for the Company expresses an unqualified opinion.

6. Our audit disclosed no findings required to be reported related to State projects required to be disclosed under Chapter 10.656, Rules of the Auditor General.

   The projects tested as major projects included the following:

State Project	State CSFA No.	Year
Department of Economic Opportunity	**40.020**	**2013**

7. The threshold for distinguishing Type A and Type B projects was $500,000 for major State projects.

B. FINDINGS – FINANCIAL STATEMENTS

There are no findings to the Company's financial statements as of December 31, 2013.

C. FINDINGS AND QUESTIONED COSTS –MAJOR STATE PROJECTS

There are no findings or questioned costs relating to the Florida Department of Economic Opportunity and their regulations over the state New Markets Development Program and the Department of Financial Services' State Projects Compliance Supplement.

D. OTHER ISSUES

The Supplemental Reports do not include the Summary Schedule of Prior Audit Findings because there were no prior audit findings related to State Projects and no Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
SCHEDULE OF EXPENDITURES AND STATE FINANCIAL ASSISTANCE

Fiscal Year End December 31, 2013

STATE AGENCY	State CSFA No.	Grant Number	Project Expenditures
Department of Economic Opportunity			
Direct Projects			
Florida New Markets Development Program			
Qualified Low-Income Community Investment	40.020	N/A	$ 10,000,000
			$ 10,000,000

Pursuant to the State of Florida New Market Tax Credits statute (the "Florida Statute"), Southeast Community Development Fund V, L.L.C. ("Transferor") applied for and received the authority to issue up to $17,623,853 in Florida qualified equity investments ("Florida QEIs") in 2012. On July 20, 2012, the Transferor requested to reallocate its qualified investment authority. On August 2, 2012, the Department of Economic Opportunity approved the transfer of qualified investment authority to the Company in the amount of $11,513,761. Under the Florida Statute, the Company's Members will be allowed to claim Florida new markets tax credits ("Florida NMTCs") over seven periods spanning six years and one day for any equity investment made by such Member that is designated as a Florida QEI within the meaning of the Florida Statute and has at least 85% of its cash purchase price used by the issuer to make qualified low-income community investments ("Florida QLICIs"). Pursuant to the Company's approval from the State of Florida on August 2, 2012 to issue up to $11,513,761 of Florida QEIs, the Company designated the capital contributions made by USB Advantage Investments VII, L.L.C. in the amount of $11,513,761 as Florida QEIs. During 2012, the Company made a loan in the amount of $10,000,000 that constitutes a Florida QLICI. On November 27, 2013, the borrower repaid the $10,000,000 note in full to the Company. The Company intends to redeploy the $10,000,000 in repaymnets within the required timeframe of 12 months of receipt, or November 26, 2014. Thus, as of December 31, 2013, $10,000,000 constitutes Florida QLICIs.

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
FINANCIAL STATEMENTS

For the years ended December 31, 2013 and 2012
with
Report of Independent Auditors

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.

CONTENTS

Report of Independent Auditors

To the Members of
Advantage Capital Community Development Fund, L.L.C.

Report on Financial Statements

We have audited the accompanying financial statements of Advantage Capital Community Development Fund, L.L.C. (the "Company"), a Louisiana limited liability company, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advantage Capital Community Development Fund, L.L.C., a Louisiana limited liability company, as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 2, the Company's financial statements include certain nonmarketable investments valued at $32,428,399 and $24,411,607 at December 31, 2013 and 2012, respectively, whose values have been estimated by the Company's Board of Managers in the absence of readily ascertainable market values. We have reviewed the procedures employed by the Board of Managers and have inspected underlying documentation, and, in the circumstances, we believe the procedures are reasonable and the documentation appropriate. However, because of the uncertainty inherent in any valuation, the estimated values may differ from the values that would have been used had a ready market for the securities existed, and the differences (increasing or decreasing the values assigned) could be material. Our opinion is not modified with respect to that matter.

Novogradac & Company LLP

Cleveland, Ohio
March 21, 2014

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
BALANCE SHEETS
December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 42,335,344	$ 12,461,168
Marketable securities	150,000	250,079
Due from related parties	108,119	163,948
Interest receivable - qualified active low-income community businesses	220,450	206,464
Notes receivable - qualified active low-income community businesses, net of allowance for loan loss	2,761,750	2,157,665
Total current assets	45,575,663	15,239,324
Long-term assets		
Notes receivable - qualified active low-income community businesses, net of allowance for loan loss	13,923,649	20,828,507
Investments in qualified active low-income community businesses, net of unrealized gain or loss	32,428,399	24,411,607
Notes receivable - other	3,860,631	4,481,302
Due from related parties	476,322	476,322
Interest receivable	5,835	11,500
Intangible assets, net	38,205	65,300
Other assets	295,790	293,436
Total long-term assets	51,028,831	50,567,974
Total assets	$ 96,604,494	$ 65,807,298
LIABILITIES AND MEMBERS' EQUITY		
Current liability		
Due to related parties - other	$ -	$ 16,809
Total current liability	-	16,809
Long-term liability		
Due to related parties - management fees	8,426,530	6,652,387
Total long-term liability	8,426,530	6,652,387
Total liabilities	8,426,530	6,669,196
Members' equity	88,177,964	59,138,102
Total liabilities and members' equity	$ 96,604,494	$ 65,807,298

See accompanying notes

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
STATEMENTS OF OPERATIONS
For the years ended December 31, 2013 and 2012

	2013	2012
REVENUE		
Interest income - notes receivable - qualified active low-income community businesses	$ 1,924,085	$ 1,003,745
Interest income - notes receivable	114,104	143,431
Dividend income - investments in qualified active low-income community businesses	356,528	5,346,685
Management fee income	54,000	54,000
Fee income	50,121	90
Total revenue	2,498,838	6,547,951
EXPENSES		
Management fees	1,774,143	1,609,590
Professional fees	19,500	24,000
Legal fees	1,193	40,211
General and administrative	29,896	17,553
Loan servicing fee	15,506	10,142
Total expenses	1,840,238	1,701,496
Net operating income	658,600	4,846,455

See accompanying notes

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
STATEMENTS OF OPERATIONS (CONTINUED)
For the years ended December 31, 2013 and 2012

	2013	2012
OTHER INCOME (EXPENSES)		
Realized gain on disposition of investments in qualified active low-income community businesses	-	7,520
Realized gain on note receivable - qualified active low-income community businesses	314,918	-
Realized loss on other assets	(79)	-
Provision for loan loss	(1,510,578)	(2,871,865)
Amortization	(27,095)	(39,347)
Interest income	8,234	8,331
Other	-	(3,327)
Net other income (expenses)	(1,214,600)	(2,898,688)
Net (loss) income before unrealized gain (loss)	(556,000)	1,947,767
Unrealized gain (loss) on investments in qualified active low-income community businesses	8,016,791	(5,587,799)
Unrealized gain (loss) on other assets	806	(71,464)
Net unrealized gain (loss)	8,017,597	(5,659,263)
Net income (loss)	$ 7,461,597	$ (3,711,496)

See accompanying notes

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the years ended December 31, 2013 and 2012

	Series I Common Unit Members	Series II Common Unit Members	Series A Preferred Member	Series B Preferred Member	Series C Preferred Member	Series D Preferred Member	Series E Preferred Member	Total Members' Equity
Balance, January 1, 2012	$ 265,223	$ 14,684,847	$ 10,863,903	$ 17,486,198	$ 10,352,817	$ -	$ -	$ 53,652,988
Capital contribution	-	2,849	-	-	-	11,513,761	-	11,516,610
Net loss	(15,662)	(867,362)	(537,271)	(1,012,321)	(601,576)	(677,304)	-	(3,711,496)
Operating distributions	-	-	(1,765,875)	(343,790)	(165,875)	(44,460)	-	(2,320,000)
Balance, December 31, 2012	249,561	13,820,334	8,560,757	16,130,087	9,585,366	10,791,997	-	59,138,102
Capital contribution	-	7,337	-	-	-		29,570,928	29,578,265
Net income	15,662	867,362	1,382,818	2,280,591	1,447,123	1,453,041	15,000	7,461,597
Operating distributions	-	-	(319,275)	(6,978,912)	(319,275)	(367,538)	(15,000)	(8,000,000)
Balance, December 31, 2013	$ 265,223	$ 14,695,033	$ 9,624,300	$ 11,431,766	$ 10,713,214	$ 11,877,500	$ 29,570,928	$ 88,177,964

See accompanying notes

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Net income (loss)	$ 7,461,597	$ (3,711,496)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization	27,095	39,347
Deferred interest income	(234,802)	(83,131)
Amortization of discount on notes receivable - qualified active low-income community businesses	(47,387)	(8,696)
Realized gain on dispositions of investment in qualified active low-income community businesses	-	(7,520)
Realized gain on dispositions of notes receivable - qualified active low-income community businesses	(314,918)	-
Realized loss on other assets	79	-
Unrealized (gain) loss on investments in qualified active low-income community businesses	(8,016,791)	5,587,799
Unrealized (gain) loss on other assets	(806)	71,469
Provision for loan loss	1,510,578	2,871,865
Changes in operating assets and liabilities:		
Decrease in due from related parties	55,829	1,608,276
Increase in interest receivable - qualified active low-income community businesses	(13,986)	(126,049)
Decrease in interest receivable - other	5,665	17,553
Increase in due to related parties - management fee	1,774,143	1,609,590
(Decrease) increase in due to related parties - other	(16,809)	3,505
Net cash provided by operating activities	2,189,487	7,872,512

See accompanying notes

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
STATEMENTS OF CASH FLOWS (CONTINUED)
For the years ended December 31, 2013 and 2012

	2013	2012
Cash flows from investing activities		
Funding of notes receivable - qualified active low-income community businesses	(5,504,132)	(17,114,000)
Funding of investments in qualified active low-income community businesses	(1)	(375,751)
Principal payments of notes receivable - qualified active low-income community businesses	10,891,434	483,925
Proceeds from sales of investments in qualified active low-income community businesses	-	7,520
Funding of notes receivable - other	(25,000)	-
Principal payments of notes receivable - other	645,671	606,552
Net sales (funding) of investments in marketable securities	100,079	(100,079)
Funding of investment in other assets	(4,715)	(4,488)
Proceeds from redemption of investments in other assets	3,088	3,229
Net cash provided by (used in) investing activities	6,106,424	(16,493,092)
Cash flows from financing activities		
Capital contributions	29,578,265	11,516,610
Operating distributions	(8,000,000)	(2,320,000)
Net cash provided by financing activities	21,578,265	9,196,610
Net increase in cash and cash equivalents	29,874,176	576,030
Cash and cash equivalents at beginning of year	12,461,168	11,885,138
Cash and cash equivalents at end of year	$ 42,335,344	$ 12,461,168
NONCASH INVESTING ACTIVITIES:		
Compounded interest on notes receivable - qualified active low-income community business added to principal balance	$ 234,802	$ 83,131
Foreclosure of property in exchange for note receivable - qualified active low-income community businesses	$ -	$ 682,254
Foreclosure of property in exchange for interest receivable - qualified active low-income community businesses	$ -	$ 17,746
Property exchanged for note receivable - qualified active low-income community businesses	$ -	$ 700,000

See accompanying notes

1. Organization and Purpose

Advantage Capital Community Development Fund, L.L.C. (the "Company") is a Louisiana limited liability company that was formed on February 22, 2002. Pursuant to the Company's Fifth Amended and Restated Operating Agreement, the Company's members are: Steven T. Stull, Peggy L. Bergmann Revocable Living Trust ("Bergmann Trust") and Michael T. Johnson (collectively the "Series I Common Unit Holders") Advantage Capital NMTC Investor I, L.L.C. ("NMTC I"), Advantage Capital NMTC Investor III, L.L.C. ("NMTC III"), Advantage Capital Missouri NMTC Investor, L.L.C. ("MO NMTC"), Advantage Capital 2012 State Tax Credit Investor, L.L.C. ("AC 2012") and Advantage Capital 2013 State Tax Credit Investor, L.L.C. ("AC 2013") (collectively the "Series II Common Unit Holders"), USB Advantage Investments, L.L.C. ("USB Advantage"), USB Advantage Investments II, L.L.C ("USB Advantage II"), USB Advantage Investments IV, L.L.C. ("USB Advantage IV"), USB Advantage Investments VII, L.L.C. ("USB Advantage VII") and USB Advantage Investments VIII, L.L.C. ("USB Advantage VIII") (collectively the "Preferred Unit Holders"). The Company's Managers are Steven T. Stull, M. Scott Murphy and Michael T. Johnson (collectively, "the Managers").

The Company applied for and received certification from the US Treasury's Community Development Financial Institutions Fund ("CDFI Fund") as a qualified Community Development Entity ("CDE") in accordance with Internal Revenue Code Section 45D and Treasury Regulations thereunder. The primary purpose of the Company is to serve or provide investment capital for low-income communities or low-income persons in the Company's Service Area (as further defined in the Operating Agreement) consistent with the New Markets Tax Credit ("NMTC") Program. To help fulfill its primary mission, the Company makes capital or equity investments in, or loans to, qualified active low-income community businesses ("QALICBs"), as defined in Internal Revenue Code Section 45D. The loans to and investments in QALICBs are intended to qualify as low-income community investments ("QLICIs") under the NMTC Program.

Ownership rights in the Company are segregated into seven classes: Series A Preferred Units ("Series A Units"), Series B Preferred Units ("Series B Units"), Series C Preferred Units ("Series C Units"), Series D Preferred Units ("Series D Units"), Series E Preferred Units ("Series E Units"), Series I Common Units ("Common Units I") and Series II Common Units ("Common Units II").

1. Organization and Purpose

As of December 31, 2013, the respective ownership interests of the common unit holders are as follows:

Member	Series I Common Units	Series II Common Units
Steven T. Stull	64,542	-
Peggy L. Bergmann Revocable Living Trust	28,458	-
Michael T. Johnson	7,000	-
Advantage Capital NMTC Investor I, L.L.C.	-	107,670
Advantage Capital NMTC Investor III, L.L.C.	-	34,965
Advantage Capital Missouri NMTC Investor, L.L.C.	-	32,365
Advantage Capital 2012 State Tax Credit Investor, L.L.C.	-	28,488
Advantage Capital 2013 State Tax Credit Investor, L.L.C.	-	73,366
	100,000	276,854

As of December 31, 2013, the respective ownership interests of the preferred unit holders are as follows:

Member	Series A Preferred Units	Series B Preferred Units	Series C Preferred Units	Series D Preferred Units	Series E Preferred Units
USB Advantage Investments, L.L.C.	1,315	-	-	-	-
USB Advantage Investments II, L.L.C.	-	1,000	-	-	-
USB Advantage Investments IV, L.L.C.	-	-	10,000	-	-
USB Advantage Investments VII, L.L.C.	-	-	-	11,500	-
USB Advantage Investments VIII, L.L.C.	-	-	-	-	29,571
	1,315	1,000	10,000	11,500	29,571

1. Organization and Purpose (continued)

As of December 31, 2012, the respective ownership interests of the common unit holders are as follows:

Member	Common Units	Common Units
Steven T. Stull	55,242	-
Peggy L. Bergmann Revocable Living Trust	28,458	-
Scott A. Zajac	9,300	-
Michael T. Johnson	7,000	-
Advantage Capital NMTC Investor I, L.L.C.	-	107,670
Advantage Capital NMTC Investor III, L.L.C.	-	34,965
Advantage Capital Missouri NMTC Investor, L.L.C.	-	32,365
Advantage Capital 2012 State Tax Credit Investor, L.L.C.	-	28,488
	100,000	203,488

As of December 31, 2012, the respective ownership interests of the preferred unit holders are as follows:

Member	Series A Preferred Units	Series B Preferred Units	Series C Preferred Units	Series D Preferred Units
USB Advantage Investments, L.L.C.	1,315	-	-	-
USB Advantage Investments II, L.L.C.	-	1,000	-	-
USB Advantage Investments IV, L.L.C.	-	-	10,000	-
USB Advantage Investments VII, L.L.C.	-	-	-	11,500
	1,315	1,000	10,000	11,500

As of December 31, 2013 and 2012, the aggregate capital contributions which have been contributed to the Company are as follows:

USB Advantage Investments, L.L.C.	Series A	$ 25,000,000	$ 25,000,000
USB Advantage Investments II, L.L.C.	Series B	15,000,000	15,000,000
USB Advantage Investments IV, L.L.C.	Series C	10,000,000	10,000,000
USB Advantage Investments VII, L.L.C.	Series D	11,513,761	11,513,761
USB Advantage Investments VIII, L.L.C.	Series E	29,570,928	-

1. Organization and Purpose (continued)

No additional capital shall be required to be contributed by the Members.

Net income, losses and operating distributions are allocated in accordance with the Operating Agreement. Net income is allocated (i)first, to the Members to the extent of the amount by which the cumulative net losses previously allocated to the Members; (ii) second, net income up to the Annual Amount, as defined, for such Fiscal year shall be allocated 14.4% (21.5% in 2013) to the holders of the Series A Units, 12.2% (32.25% in 2013) to the holders of the Series B Units, 14.4% (21.5% in 2013) to the holders of the Series C Units, 16.5% (24.75% in 2013) to the holders of the Series D Units and 42.5% (0% in 2013) to the holders of the Series E Units with a fixed amount of $15,000 being allocated to the holders of the Series E Units in 2013, in each ease in accordance with their respective Sharing Percentages (iii) third 10% of net income shall be allocated to the holders of the Preferred Units (with 14.4% of such amount being allocated to the holders of Series A Units, 12.2% of such amount being allocated to the holders of the Series B Units, 14.4% of such amount being allocated to the holders of the Series C Units, 16.5% of such amount being allocated to the holders of the Series D Units and 42.5% of such amount being allocated to the holders of the Series E Units) in accordance with their respective Sharing Percentages and 90% to Common Unit Holders (with 1% being allocated to Common Units I and 99% to the Common Units II) in accordance with their respective Sharing Percentages.

Net losses are allocated first, to the Preferred Unit Holders and the Common Unit Holders in proportion to the Adjusted Capital Accounts Balances (as defined in the Operating Agreement) until their respective capital account balances equal zero; and second, to the Common Unit Holders (with 1% being allocated to Common Units I and 99% being allocated Common Units II) in accordance with their respective sharing percentages.

Operating distributions are made at the discretion of the Managers. Operating distributions during each year shall be made (i) first, in an amount equal to the Net Income of the Company estimated to be allocated to the respective unit holder for the fiscal year; (ii) second, to each unit holder the amount of the positive difference, if any, between (a) the sum of all net income allocated in respect of such units for all previous years and (b) the sum of all distributions made in respect of such units pursuant to clause (i) for all previous years; (iii) third, to unit holders in proportion to their respective Capital Accounts, until their Capital Accounts equal zero; and (iv) fourth, 10% to the Preferred Units (with 14.4% to the Series A Units, 12.2% to the Series B Units, 14.4% to the Series C Units, 16.5% to the Series D Units and 42.5% to the Series E Units) and 90% to the Common Unit Holders (with 1% to the Common Units I and 99% to the Common Units II) in accordance with their respective Sharing Percentages. For the years ended December 31, 2013 and 2012, operating distributions totaled $8,000,000 and $2,320,000, respectively.

2. Summary of Significant Accounting Policies and Nature of Operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents
Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at the date of acquisition. The carrying value of cash and cash equivalents approximates fair market value. As of December 31, 2013 and 2012, the Company held Euro Dollar Time Deposits in the amount of $4,441,294 and $650,000, respectively. Euro Dollar Time Deposits are considered cash and cash equivalents.

Concentration of credit risk
The Company maintains cash in bank deposit accounts, which, at times, may exceed the institutions' federally insured limits. The Company has not experienced any losses on such accounts. The Eurodollar Time Deposits are kept in a foreign branch of a U.S. Bank and are an obligation of that bank. However, the Eurodollar Time Deposits are not federally insured, and may be subject to exchange risk. The Company believes it is not exposed to any significant credit risk on these accounts.

Marketable securities
Marketable securities consist of U.S. Treasury notes and municipal bond securities, which are recorded at cost, with any discount or premium amortized as interest income over the life of the underlying notes, which in the opinion of the Company's management, approximates fair market value. As of each of December 31, 2013 and 2012, marketable securities had a maturity date of November 15, 2034.

Economic concentrations
The Company's primary operations relate to its loans and equity investments in QALICBs. Future operations could be affected by changes in economic or other conditions that would affect the business of the underlying QALICBs.

Use of estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Fair value measurements

The Company applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Company's own assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the valuation methods are determined to be appropriate and consistent within the industry, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the reporting date.

Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurements typically include, in addition to the unobservable or Level 3 components, observable components that can be validated to observable external sources.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Intangible assets and amortization
Intangible assets consist of transaction costs which are amortized using the straight-line method over the life of the underlying loan.

Revenue and interest recognition
The Company recognizes revenue from interest income, dividends, realized and unrealized gains or losses on its investments. Interest on loans to QALICBs is calculated using the simple-interest method on principal amounts outstanding and is recognized when earned. The interest rates on the loans may be affected by the tax attributes of the NMTC Program and the legal restrictions established by the CDFI Fund. The accrual of interest is discontinued when, in management's opinion, the borrower may be unable to make payments as they become due. If the accrual of interest is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received and the principal balance is believed collectible.

Notes receivable and allowance for loan losses
The notes receivable – qualified active low-income community businesses and notes receivable – other balances are stated at the amount of unpaid principal, reduced by loan discounts and unearned loan fees and the allowance for loan losses. Loan origination and commitment fees as well as certain direct origination costs, are deferred and recognized into income ratably over the term of the loan. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

The allowance is increased by a provision for loan losses, which is charged to expense, and reduced by charge-offs, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on the Company's quarterly evaluation of specific loans to determine the existence of adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows on impaired loans, it is reasonably possible that a material change could occur in the allowance for loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

The Company considers a loan impaired when, based on current information or factors, it is probable that the Company will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history and value of collateral. Loans that are contractually delinquent less than 90 days are generally not considered impaired, unless the borrower has claimed bankruptcy or the Company has received specific information concerning the loan impairment. The Company reviews delinquent loans to determine impaired accounts. The Company measures impairment on its notes receivable – qualified active low-income community businesses on a specific loan basis.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Notes receivable and allowance for loan losses (continued)
If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated futures cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral.

The Company's notes receivable – qualified active low-income community businesses and notes receivable – other consists of loans to operating businesses and other entities. The Company's key credit quality indicators are the financial performance of the underlying borrowers and value of the collateral as determined on a quarterly basis. Notes receivable – qualified active low-income community businesses that are 90 days or more past due, based on the contractual terms, are classified on nonaccrual status. Loans may also be placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectible.

A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. Loans may also resume accruing interest if management no longer believes a loan is impaired or the collection of principal and interest is no longer in doubt.

Income taxes
Income taxes on Company income are levied on the Members at the member level. Accordingly, all profits and losses of the Company are recognized by each member on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax positions taken by the Company. Management has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Investments in qualified active low-income community businesses
The Company's management elected to apply the fair value option for the accounting of all of its equity investments in QALICBs. The elections were made upon the initial recognition of such investments in the financial statements. Investments in QALICBs are generally non-marketable investments in privately-held companies. The fair value as of December 31, 2013 and 2012 has been estimated by the Company's management. The Company generally determines fair value using a market or income approach. In determining fair value, the Company considers a variety of factors including, recent significant private placements of the same issuer, changes in financial position of the investee company, historical and projected cash flows and industry multiples on earnings before depreciation, taxes and amortization. Substantially all of the Company's investments have been classified within level 3 as they have unobservable inputs since they trade infrequently or not at all. When observable prices are not available for these securities, the Company's Board of Managers uses one or more valuation techniques (e.g., the market approach, the income approach, or the cost approach) for which sufficient and reliable data is available.

Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors. Because of the inherent uncertainty of valuation of investments without an active market, the estimated values may differ significantly from values that would have been used had a ready market for the investments existed, and the differences could be material.

The Company's investments in the nonmarketable investments are generally considered to be nonmarketable until the time they are registered for public sale. Such nonmarketable investments are carried at estimated fair value as determined by the Company's Board of Managers. Because of the inherent uncertainty of valuation in the nonmarketable investments, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The Company has determined the QALICBs are variable interest entities and the Company is not the primary beneficiary. As a result, the Company is not required to consolidate its investment in the QALICBs. This conclusion was based on the determination that the Company does not have the power to direct the activities that most significantly impact the QALICBs' economic performance. The Company's maximum exposure to loss as a result of its involvement with the investment remains limited to the Company's investment balance. During the year ended December 31, 2013, the Company provided no explicit or implicit financial or other support to the QALICBs that were not previously contractually required or intended.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Other assets

Other assets primarily consist of the Company's Managing Member interests in Subsidiary CDEs ("Sub-CDEs"). Pursuant to ASC820, the Company's management elected to apply the fair value option for the accounting of all of its equity investments in Sub-CDEs. The election was made as of January 1, 2008. The election was made because the Company's management believes it improves financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex accounting provisions.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through February 22, 2014, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Notes Receivable – Qualified Active Low-Income Community Businesses

At December 31, 2013, notes receivable – qualified active low-income community businesses consisted of the following:

Borrower	Interest Rate	Maturity	Face Amount	Carrying Value
Advantage Aero, Inc.	20.00%	6/1/2012	$ 47,112	$ 1,000
Ashi Hotels, Inc.	4.77%	3/24/2036	3,953,619	3,929,897
CMC - Missouri, LLC	17.00%	11/1/2015	1,315,037	-
CMC - Missouri, LLC	17.00%	6/1/2017	1,255,935	-
Lamm Food Services, LLC	5.75%	6/30/2015	2,225,000	2,225,000
Lamm Food Services, LLC	12.00%	12/31/2019	5,517,875	5,517,875
Quality Woods Products, LLC	1.00%	11/1/2016	113,192	-
Quality Woods Products, LLC	1.00%	11/1/2016	674,062	-
Resthaven Living Center, LLC	5.45%	7/31/2015	2,775,000	2,775,000
Rotolo's Investments, LLC	3.00%	6/30/2015	1,000,000	1,000,000
Seven Arts Louisiana, LLC	8.25%	10/11/2014	750,000	-
Soda Fountain Square, LLC	8.00%	7/7/2015	67,494	67,494
Sports Grill, LLC	2.69%	12/31/2014	315,000	315,000
Veran Medical Technologies, Inc.	8.00%	11/27/2014	4,133	4,133
Voodoo Production Services, LLC	4.08%	6/15/2014	1,083,000	234,348
Voodoo Production Services, LLC	4.08%	6/15/2014	2,383,000	515,652
Willert Home Products, Inc.	14.00%	10/15/2014	1,000,000	100,000
		Total	$ 24,479,459	$ 16,685,399

3. Notes Receivable – Qualified Active Low-Income Community Businesses (continued)

At December 31, 2012 notes receivable – qualified active low-income community businesses consisted of the following:

Borrower	Interest Rate	Maturity	Face Amount	Carrying Value
Advantage Aero, Inc.	20.00%	6/1/2012	$ 47,112	$ -
Ashi Hotels, Inc.	4.81%	3/24/2036	4,053,074	4,028,756
CMC - Missouri, LLC	17.00%	6/1/2017	1,090,645	-
CMC - Missouri, LLC	17.00%	6/1/2012	1,315,038	-
Contego Service Group, LLC	8.00%	11/30/2018	10,000,000	9,637,695
Jon Ed I, LLC	2.77%	2/28/2015	134,566	134,566
Lamm Food Services, LLC	5.75%	6/30/2015	2,225,000	2,225,000
Park Avenue Ventures, LLC	4.00%	6/30/2013	700,000	600,000
Quality Woods Products, LLC	10.00%	6/30/2013	106,451	-
Quality Woods Products, LLC	10.00%	6/30/2013	633,919	-
Resthaven Living Center, LLC	5.45%	7/31/2015	2,775,000	2,775,000
Rotolo's Investments, LLC	3.00%	6/30/2015	1,000,000	1,000,000
Seven Arts Louisiana, LLC	8.25%	10/11/2014	750,000	750,000
Soda Fountain Square, LLC	8.00%	7/7/2015	120,155	120,155
Sports Grill, LLC	2.75%	12/31/2014	315,000	315,000
Voodoo Production Services, LLC	4.55%	6/15/2013	1,083,125	437,375
Voodoo Production Services, LLC	4.55%	6/15/2013	2,382,875	962,625
Willert Home Products, Inc.	14.00%	10/15/2013	1,000,000	-
		Total	$ 29,731,960	$ 22,986,172

At December 31, 2012, notes receivable – qualified active low-income community businesses included an unamortized discount of $362,305. During 2013, the notes to Contego Service Group, LLC ("Contego") totaling $10,000,000 were repaid in full. As a result, the Company recognized a realized gain on the amortization of the unamortized discount in the amount of $314,918.

The loans made by the Company are intended to qualify as QLICIs under the NMTC Program (see Note 9) pursuant to Internal Revenue Code Section 45 (d) and Treasury Regulation Section 1.45D-1 (d) and/or QLICIs under the various state new markets statutes (see Note 9).

3. Notes Receivable – Qualified Active Low-Income Community Businesses (continued)

Impaired loans

A summary analysis of the activity in the allowance for loan losses is as follows for the years ended December 31, 2013 and 2012:

	2013	2012
Beginning balance	$ 6,383,483	$ 5,337,169
Provision for loan losses	1,510,578	2,871,865
Loans charged off	(100,001)	(1,825,551)
Recoveries	-	-
Ending balance	$ 7,794,060	$ 6,383,483

The unpaid principal balance represents the recorded balance prior to any partial charge-offs or allowance for loan loss. The recorded investment represents customer balance net of any partial charge-offs recognized on the loans.

Impaired loans as of December 31, 2013 consisted of the following:

	Unpaid principal balance	Recorded investment	Average recorded investment	Allowance for loan loss	Interest income recognized	Cash basis - Interest income recognized
With no related allowance recorded:						
Notes receivable	$ -	$ -	$ -	$ -	$ -	$ -
With allowance recorded:						
Notes receivable	12,574,958	12,574,958	1,257,496	7,794,060	726,055	483,483
	$ 12,574,958	$ 12,574,958	$ 1,257,496	$ 7,794,060	$ 726,055	$ 483,483

3. Notes Receivable – Qualified Active Low-Income Community Businesses (continued)

Impaired loans (continued)
Impaired loans as of December 31, 2012 consisted of the following:

	Unpaid principal balance	Recorded investment	Average recorded investment	Allowance for loan loss	Interest income recognized	Cash basis - Interest income recognized
With no related allowance recorded:						
Notes receivable	$ 750,000	$ 750,000	$ 750,000	$ -	$ -	$ -
With allowance recorded:						
Notes receivable	7,659,164	1,400,000	175,000	2,718,099	1,059,482	303,630
	$ 8,409,164	$ 2,150,000	$ 925,000	$ 2,718,099	$ 1,059,482	$ 303,630

Nonaccrual and past due loans
As of December 31, 2013 and 2012, $2,112,150 and $1,362,150, respectively, of notes receivable – qualified active low-income community businesses were on non-accrual status. Management has determined the following table presents the contractual aging of the recorded investments in past due loans as of December 31, 2013:

	Loans past due 30-59 days	Loans past due 60-89 days	Loans past due more than 90 days	Total
Notes to QALICBs	$ -	$ -	$ 2,112,150	$ 2,112,150

Management has determined the following table presents the contractual aging of the recorded investments in past due loans as of December 31, 2012:

	Loans past due 30-59 days	Loans past due 60-89 days	Loans past due more than 90 days	Total
Notes to QALICBs	$ -	$ -	$ 1,362,150	$ 1,362,150

4. Notes Receivable

As of December 31, 2013, notes receivable consisted of the following:

Borrower	Interest Rate	Maturity	Face Amount	Carrying Value
USB Advantage Holdco Missouri/Florida, L.L.C.	3.1688%	1/31/2018	$ 2,456,131	$ 2,456,131
USB Advantage Holdco Florida III, LLC	1.50%	12/31/2016	1,392,000	1,392,000
Christopher Goodson	4.00%	8/31/2013	12,500	12,500
		Total	$ 3,860,631	$ 3,860,631

As of December 31, 2012, notes receivable consisted of the following:

Borrower	Interest Rate	Maturity	Face Amount	Carrying Value
USB Advantage Holdco Missouri/Florida, L.L.C.	3.2702%	1/31/2018	$ 2,981,302	$ 2,981,302
USB Advantage Holdco Florida III, LLC	1.50%	12/31/2016	1,500,000	1,500,000
		Total	$ 4,481,302	$ 4,481,302

ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, L.L.C.
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5. Investments in Qualified Active Low-Income Community Businesses

At December 31, 2013, investments in QALICBs consisted of the following:

Investment	Type	Number/Percent of Shares	Original Cost	Fair Value
Kereos, Inc.	Common Stock	14,906	$ 500,000	$ -
Appia Communications, Inc.	Common Stock	9,969	1,410,750	709,226
Singulex, Inc.	Common Stock	514,687	700,000	490,762
T&K Machine Tool, Inc.	Series A Convertible Preferred Stock	1,736,371	1,695,832	928,000
Turbo Squid, Inc.	Common Stock	15,331	1,879,190	2,454,953
Worley Claims Services, LLC	Common Units	1,923	1,922	20,564,312
Veran Medical Technologies, Inc.	Series C Preferred Stock	77,655	52,339	52,339
Old Guard Risk Service, Inc.	Warrants	4.75%	230,751	4,983,605
Patriot National Insurance Group	Warrants	2.00%	145,000	2,035,202
Lamm Food Service, LLC	Warrants	21.00%	-	210,000
		Total	$ 6,615,784	$ 32,428,399

At December 31, 2012, investments in QALICBs consisted of the following:

Investment	Type	Number of Shares	Original Cost	Fair Value
Kereos, Inc.	Common Stock	14,906	$ 500,000	$ -
Appia Communications, Inc.	Common Stock	9,969	1,410,750	738,777
Singulex, Inc.	Series C Preferred	291,667	350,000	252,817
Singulex, Inc.	Series D Preferred	274,509	350,000	237,945
T&K Machine Tool, Inc.	Series A Convertible Preferred Stock	1,736,371	1,695,832	1,408,000
Turbo Squid, Inc.	Common Stock	15,331	1,879,190	3,046,730
Worley Claims Services, LLC	Common Units	1,923	1,922	18,299,249
Veran Medical Technologies, Inc.	Series C Preferred Stock	77,655	52,339	52,339
Contego Services Group, LLC	Warrants	475,000	375,750	375,750
		Total	$ 6,615,783	$ 24,411,607

5. Investments in Qualified Active Low-Income Community Businesses (continued)

During 2012, the Company purchased warrants to acquire 475,000 of common shares of Contego. During 2013, the Company exercised its warrants in Contego and then exchanged its equity in Contego for warrants in Old Guard Risk Services, Inc. and Patriot National Insurance Group.

The investments made by the Company to the QALICBs are intended to qualify as QLICIs under the NMTC Program (see Note 9) pursuant to the Internal Revenue Code Section 45D and Treasury Regulation 1.45(D)-1(d) and/or QLICIs under various state new market statutes (see Note 9).

At December 31, 2013 and 2012, certain investments in QALICBs were determined using significant unobservable inputs (Level 3 Inputs). The reconciliation of investments in QALICBs measured at fair value using Level 3 Inputs is as follows:

Balance - January 1, 2012	$ 29,623,656
Purchases during the year	375,750
Unrealized gains (losses) included in earnings	(5,587,799)
Transfers into (out of) Level 3 Input	-
Balance - December 31, 2012	24,411,607
Purchases during the year	1
Sales during the year	-
Unrealized gains (losses) included in earnings	8,016,791
Transfers into (out of) Level 3 Input	-
Balance - December 31, 2013	$ 32,428,399

6. Intangible Assets

As of December 31, 2013 and 2012, intangible assets consisted of the following:

	2013	2012
Transaction costs	$ 295,634	$ 295,634
Less: accumulated amortization	(257,429)	(230,334)
Intangible assets, net	$ 38,205	$ 65,300

7. Other Assets

The Company is the Managing Member in certain Sub-CDEs and has an ownership interest in the Sub-CDEs. As of December 31, 2013 and 2012, the Company held a managing member ownership interest in each Sub-CDE as follows:

Sub-CDE	Ownership Interest	Original Investment	Fair Value 12/31/2013	Fair Value 12/31/2012
Advantage Capital Community Development Fund V, L.L.C.	0.001%	$ 350	$ 353	$ 203
Advantage Capital Community Development Fund XIII, L.L.C.	0.01%	2,000	1,982	1,987
Advantage Capital Community Development Fund XV, L.L.C.	0.10%	100	285,057	285,057
Advantage Capital Community Development Fund XX, L.L.C.	1.00%	10	670	374
Advantage Capital Gulf Opportunity Fund, L.L.C.	0.01%	10	4	3
Advantage Capital Community Development Fund Mississippi I, L.L.C.	1.00%	10	-	29
Florida Community Development Fund II, L.L.C.	0.01%	10	11	7
Missouri Community Development Fund I, L.L.C.	1.00%	10	283	153
Southeast Community Development Fund I, L.L.C.	1.00%	10	7	1
Southeast Community Development Fund VII, L.L.C.	0.01%	500	500	1,037
Midwest Community Development Fund I, L.L.C.	0.10%	1,151	1,219	1,000
Midwest Community Development Fund IV, L.L.C.	0.01%	1,000	1,003	1,000
Midwest Community Development Fund VII, L.L.C.	0.01%	3,200	3,200	1,000
Midwest Community Development Fund X, L.L.C.	0.01%	1,015	1,016	1,109
BizCapital BIDCO I, L.L.C.	0.0005%	100	485	476
		$ 9,476	$ 295,790	$ 293,436

8. Transactions with Related Parties

Due from related parties
During 2013 and 2012, Advantage Capital Payment Agent, LLC ("ACPA"), an affiliate of the Company, collected debt service payments on behalf of the Company. As of December 31, 2013 and 2012, $57,027 and $112,818, respectively, was owed to the Company.

8. Transactions with Related Parties (continued)

Due from related parties (continued)
During 2010, the Company advanced funds to Advantage Capital Community Development Fund XV, LLC ("ACCDF XV"), for operating expenses. The advances do not accrue interest. As of each of December 31, 2013 and 2012, $26,860, was owed to the Company.

The Company is a co-participant in notes receivable to QALICBs with BizCapital Bidco II, L.L.C. ("BIDCO II") and is entitled to certain payments from QALICBs paid directly to BIDCO II. Amounts owed by BIDCO II do not accrue interest. As of December 31, 2013 and 2012, $24,232 and $24,270, respectively, were owed to the Company by BIDCO II and is included in due from related parties on the accompanying balance sheets.

Due from related parties – management fees
Pursuant to the Second Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of Advantage Capital Community Development Fund XV, L.L.C. ("ACCDF XV"), the Company shall be entitled to receive an annual management fee each year not to exceed 3% per annum of the net asset value of ACCDF XV, as determined by ACCDF XV, as of the first of January of that fiscal year and subject to certain maximum limitations as described in the LLC Agreement. As of each of December 31, 2013 and 2012, $476,322, was owed to the Company as management fees and is included in due from related parties on the accompanying balance sheets. During 2013 and 2012, the Company did not earn management fee income.

Pursuant to the First Amended and Restated Limited Liability Company Agreement of Advantage Capital Community Development Fund XIII, L.L.C. ("ACCDF XIII"), the Company shall be entitled to receive an annual management fee of $54,000 from ACCDF XIII. For each of the years ended December 31, 2013 and 2012, the Company earned $54,000 in management fees income from ACCDF XIII.

Due to related parties – other
During 2012, Advantage Capital Management Corporation ("ACMC"), an affiliate of the Company, advanced funds to the Company for operating expenses. The advances do not accrue interest. As of December 31, 2012, $16,809 was owed to ACMC and is included in due to related parties – other on the accompanying balance sheets.

Due to related parties – management fee
The management fee for a particular year shall accrue only to the extent that taxable net income, after expensing the management fee, equals or exceeds the amount of taxable net income required to be allocated to the holders of the Preferred Units (the "Minimum Return") under the Operating Agreement. The Company may not make any payments with respect to the management fee unless and until the Company has distributed to the holders of the Preferred Units, an amount at least equal to the cumulative Minimum Return due to the Preferred Unit holders through such date.

8. Transactions with Related Parties (continued)

Due to related parties – management fee (continued)
During 2013 and 2012, the Company incurred a management fee of $1,774,143 and $1,609,590, respectively. As of December 31, 2013 and 2012, $8,426,530 and $6,652,387, respectively, was owed to Common II Unit Holders for management fees, and is included in due to related parties – management fees on the accompanying balance sheets.

9. New Markets Tax Credits

Pursuant to the allocation agreements between the Company, its Sub-CDEs and the Community Development Financial Institutions Fund dated December 24, 2003, January 18, 2006, December 13, 2006, February 15, 2008, December 17, 2008, November 24, 2009, March 31, 2011, April 11, 2012 and July 18, 2013 (each as amended, the "Allocation Agreements"), the Company was allocated the authority to issue) $110 million, $50 million, $70 million, $28 million, $60 million, $70 million, $56 million, $80 million and $75 million respectively, of qualified equity investments ("QEIs"), respectively. Equity investments received by the Company or its Sub-CDEs may be designated as QEIs if they meet the requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D-1. The Company's or Sub-CDEs' members will be allowed to claim new markets tax credits ("Tax Credits") over seven periods spanning six years and a day for any equity investment made by such member that is designated a QEI by the Company or Sub-CDEs. The Company has designated the $25,000,000 received from USB Advantage, the $15,000,000 received from USB Advantage II, the $10,000,000 received from USB Advantage IV, $9,785,000 received from USB Advantage VII as QEIs and $27,429,009 received from USB Advantage VIII as QEIs. As of December 31, 2013 and 2012, the Company had suballocated allocation authority of $511,785,991 and $447,585,000, respectively, to Sub-CDEs.

In order to qualify for the Tax Credits, the Company and its Sub-CDEs must comply with requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D-1 during the seven year credit period. Failure to comply with the requirements could result in the recapture of Tax Credits that have been previously claimed as well as the loss of any future Tax Credits. The three events that cause recapture are: [1] the Company or Sub-CDE cease to be a CDEs; [2] failing to ensure that for each annual period in the seven-year credit period, at least 85 percent of the qualified equity investments received by the Company or Sub-CDEs is continuously invested in qualified low-income community investments (which may include 5% of the qualified equity investments received to be held as reserves); or [3] the QEIs are redeemed by the Company or Sub-CDEs. Since the Tax Credits are subject to the Company's compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized and failure to meet all such requirements may result in generating a lesser amount of Tax Credits than the expected amount.

9. New Markets Tax Credits (continued)

In addition, pursuant to the State of Louisiana New Markets Tax Credit statute (the "Louisiana Statute"), the Company applied for and received the authority to issue up to $29,274,009 in Louisiana qualified equity investments ("Louisiana QEIs"). Under the Louisiana Statute, certain members of the Company will be allowed to claim Louisiana new markets tax credits ("Louisiana NMTCs") over three periods spanning two years and one day for any equity investment made by such member that is designated as a Louisiana QEI within the meaning of the Louisiana Statute and has 100% of its cash purchase price used by the issuer to make qualified low-income community investments ("Louisiana QLICIs"). The Company designated $4,000,000 of capital contributions from USB Advantage II, $10,000,000 of capital contributions from USB Advantage IV and $15,274,009 of capital contributions from USB Advantage VIII as Louisiana QEIs.

Pursuant to the State of Florida New Markets Tax Credit statute (the "Florida Statute"), the Company applied for and received the authority to issue up to $11,513,761 in Florida qualified equity investments ("Florida QEIs") in 2012. Under the Florida Statute, certain members of the Company will be allowed to claim Florida new markets tax credits ("Florida NMTCs") over seven periods spanning six years and one day for any equity investment issued by the Company that is designated as a Florida QEI within the meaning of the Florida Statute and has at least 85% of its cash purchase price used to make qualified low-income community investments ("Florida QLICIs"). Pursuant to the Company's approval from the State of Florida on August 24, 2012, the Company designated $11,513,761 of capital contributions from USB Advantage VII as Florida QEIs.

Pursuant to the State of Arkansas New Markets Jobs Act (the "Arkansas Statute"), the Company applied for and received the authority to issue up to $14,296,919 in Arkansas qualified equity investments ("Arkansas QEIs") in 2013. Under the Arkansas Statute, certain members of the Company will be allowed to claim Arkansas new markets tax credits ("Arkansas NMTCs") over six periods spanning five years and one day for any equity investment issued by the Company that is designated as an Arkansas QEI within the meaning of the Arkansas Statute and has at least 85% of its cash purchase price used to make qualified low-income community investments ("Arkansas QLICIs"). Pursuant to the Company's approval from the State of Arkansas on August 30, 2013, the Company designated $14,296,919 of capital contributions from USB Advantage VIII as Arkansas QEIs.

In order to qualify for these Louisiana, Florida and Arkansas NMTCs, the Company must comply with the requirements of the Louisiana, Florida and Arkansas Statutes and related guidelines. Failure to comply with the requirements could result in the recapture of the Louisiana, Florida and Arkansas NMTCs that have been previously claimed as well as the loss of any future Louisiana, Florida and Arkansas NMTCs.

9. <u>New Markets Tax Credits (continued)</u>

Since the Tax Credits and Louisiana, Florida and Arkansas NMTCs are subject to the Company's compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits and Louisiana, Florida and Arkansas NMTCs will be realized and failure to meet all such requirements may result in generating a lesser amount of Tax Credits and Louisiana, Florida and Arkansas NMTCs than the expected amount.

The Company's Board of Managers has established an advisory board to provide insight and guidance for the Company's activities ("Advisory Board"). The Advisory Board also ensures that the Company maintains accountability to the residents of low-income communities in accordance with Internal Revenue Code Section 45D(c)(1)(B). The Board of Managers may also establish committees of the Advisory Board to serve such purposes as directed by the Board of Managers. The Advisory Board and the committees will establish procedures by which they will solicit feedback from the residents of the low-income communities that they represent as to the investment and training needs of those particular low-income communities and the success of the Company in addressing such needs. The Advisory Board and each committee shall organize such information for presentation to the Board of Managers and use it to generate suggestions and guidance for use by the Company.