Financial Statements
504 ACE Loan Fund I (2004), LLC
As of and for the Year Ended December 31, 2014
With Independent Accountants' Compilation Report

Vasquez & Company LLP
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Independent Accountants' Compilation Report

To the Members
504 ACE Loan Fund I (2004), LLC
(A Limited Liability Company)

We have compiled the accompanying balance sheet of 504 ACE Loan Fund I (2004), LLC (A Limited Liability Company) (the "Fund") as of December 31, 2014 and the related statements of income, changes in members' equity and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Vasquez + Company LLP

Los Angeles, California
May 20, 2015

ASSETS

Cash and cash equivalents	$	4,919
Total assets	$	4,919

MEMBERS' EQUITY

Members' equity		
Members' equity	$	4,426
Members' equity - related party		493
Total members' equity	$	4,919

See independent accountants' compilation report and accompanying notes.

Revenue		
Interest on notes receivable	$	16,172
Recovery of allowance for doubtful accounts		4,711
Interest income		7
Other income		2,325
Total operating revenues		23,215
Operating expenses		
Professional fees		8,040
Management fees		1,074
Taxes		1,050
Bank charges		435
Miscellaneous		2,666
Total operating expenses		13,265
Net income	$	9,950

See independent accountants' compilation report and accompanying notes.

	LDC Management Services, LLC	Bank of the West	City National Bank	Comerica Capital Advisors Inc.	Mellon 1St Bank	U S Bankcorp Community Dev. Corp.	Union Bank NA	JP Morgan Chase	Wells Fargo Community Dev. Corp.	Total Members' Equity
Balance, January 1, 2014	$ 51,672	$ 51,672	$ 51,672	$ 10,333	$ 10,333	$ 51,672	$ 93,009	$ 103,344	$ 93,009	$ 516,716
Capital Distributions	(47,724)	(47,724)	(47,725)	(9,545)	(9,545)	(47,724)	(85,904)	(95,449)	(85,904)	(477,244)
Income Distributions	(4,450)	(4,450)	(4,450)	(890)	(890)	(4,450)	(8,011)	(8,901)	(8,011)	(44,503)
Net Income	995	995	995	199	199	995	1,791	1,990	1,791	9,950
Balance, December 31, 2014	$ 493	$ 493	$ 492	$ 97	$ 97	$ 493	$ 885	$ 984	$ 885	$ 4,919
Ownership Interest	10%	10%	10%	2%	2%	10%	18%	20%	18%	100%

	Years ended December 31 2014	2013
Cash flows from operating activities		
Net income	$ 9,950	$ 44,504
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Recovery of allowance for doubtful accounts	(4,711)	(8,448)
Change in operating assets and liabilities:		
Interest receivable	2,733	2,906
Due to related party	(594)	(1,619)
Net cash provided by operating activities	7,378	37,343
Cash flows from investing activities		
Collections from notes receivable	471,138	844,805
Cash flows from financing activities		
Capital distributions	(477,244)	(966,800)
Income distributions	(44,503)	-
Net cash used in financing activities	(521,747)	(966,800)
Change in cash and cash equivalents	(43,231)	(84,652)
Cash and cash equivalents, beginning of year	48,150	132,802
Cash and cash equivalents, end of year	$ 4,919	$ 48,150

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of 504 ACE Loan Fund I (2004), LLC (A Limited Liability Company) (the “Fund”) is presented to assist in understanding the Fund’s financial statements. The financial statements and notes are representations of the Fund’s management and board members who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations

504 ACE Loan Fund I (2004), LLC (A Limited Liability Company) (the "Fund") was inaugurated on September 23, 2004 to promote access to capital by purchasing and originating new loans which finance the activities of minority and women-led businesses or nonprofit organizations in conjunction with promoting community development in certain geographically targeted areas. The Fund was capitalized with $10 million from accredited investors, of which a 10% interest is owned by LDC Management Services LLC, a wholly-owned subsidiary of Los Angeles LDC, Inc. ("LA LDC"). LA LDC manages the day-to-day operations and affairs of the Fund and charges the Fund a management fee of 0.5% per annum of the aggregate Notes Receivable balances, calculated monthly.

At the Fund's inauguration, it purchased seventeen (17) separate secured community development loans from LA LDC, and subsequently purchased seven (7) more loans from LA LDC. All these loans were fully settled as of December 31, 2014. The loans purchased by the Fund are its primary assets and are evidenced by promissory notes from various borrowers. There is only one (1) "class" of membership interest, and such interests are proportional to the members' initial capital contribution.

The Fund shall continue to operate until December 31, 2029, unless terminated sooner under the Fund's operating agreement. The Fund does not plan to provide new loans to businesses or organizations.

Termination of the Fund

In accordance with the operating agreement, the Fund may be terminated after the total outstanding principal balance of the assets held by the Fund equals the sum of $2 million or less. The two remaining notes totaling $450,000 were paid off in December 2014 and, as agreed to by the members, the Fund was dissolved.

Basis of Accounting

The Fund's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Fund considers its investment in a money market account to be a cash equivalent. In addition, the Fund considers all cash accounts not subject to withdrawal restrictions and certificates of deposit with original maturities of ninety (90) days or less to be cash or cash equivalents.

Revenue Recognition

The Fund earns revenues primarily through charging borrowers interest on their borrowings. Interest income is recognized in the month it is earned. Interest earned in a month is typically paid by the borrower with the subsequent month's regular payment.

Notes Receivable

Notes receivable are recorded in the accompanying financial statements at face value less payments received. Interest on these loans is accrued monthly as earned, except where a reasonable doubt exists as to the collectability of the interest, in which case the accrual of income is discontinued. Cash receipts are allocated between interest earned and principal payment of the loan. Lending fees and costs are deferred and amortized over the life of the loan.

Allowance for Doubtful Accounts

Loan losses are charged against the allowance for doubtful accounts. Notes receivable are periodically evaluated for collectability based on past payment history and the borrower's current financial condition. Accounts are charged off against the allowance when the Fund believes they are uncollectible. Receivables are considered past due or delinquent based on contractual terms. Management evaluates each note receivable separately and has established an allowance for doubtful accounts of 1% of each note receivable.

Income Taxes

The Fund is not a taxpaying entity for federal income tax purposes. In addition to the minimum California tax of $800, a limited liability company is subject to an annual fee based on total income on a progressive scale ranging from $0 to $11,790. Income of the Fund is taxed in the respective tax returns of the members.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Significant estimates include the determination of allowance for doubtful accounts. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk
Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents and notes receivable. The credit risk in cash and cash equivalents is decreased because the Fund places its cash balances in reputable financial institutions. A downturn in the economy could result in an increase in defaults by borrowers in paying off the notes. However, the Fund's credit risk is substantially decreased by the secured nature of the notes receivable as most of the notes are collateralized by real estate.

Custodial Credit Risk
Custodial credit risk is the risk that the Fund will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Financial instruments that potentially subject the Funds to credit risk are cash deposits with banks and other financial institutions that are in excess of the federally insured limit of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Estimated Fair Value of Financial Instruments
Financial instruments included in the Fund's statement of financial position include cash and cash equivalents and notes receivable.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1 - Quoted prices are available in active markets for identical instruments as of the reporting date.

Level 2 - Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date, but are other than quoted prices in active markets as in Level 1. Fair value is determined through observable trading activity reported at net asset value or through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the instruments and include situations where there is little, if any, market activity for the instruments. The inputs into the determination of fair value require significant judgment or estimation by the Fund.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

NOTE 2 RELATED PARTY TRANSACTIONS

LA LDC manages the Fund's operations. The Operating Agreement calls for an annual management fee of 0.5% of the aggregate notes receivable balance each month. Management fees earned by LA LDC during the year ended December 31, 2014 aggregated to $1,074.

NOTE 3 FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value.

Notes receivable: Valued at amortized cost, which approximates fair value because the loans bear interest at rates commensurate with loans of similar credit quality and duration as of year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Fund's level 3 assets for the year ended December 31, 2014:

Beginning balance	$	466,427
Issuances		-
Collections		(471,138)
Gains (Losses)		4,711
Ending balance	$	-

NOTE 4 SUBSEQUENT EVENTS

Subsequent to December 31, 2014 and through May 20, the date through which management evaluated subsequent events and on which the financial statements were available to be issued, the Fund did not identify any other subsequent events that require disclosure or adjustments to the financial statements except for the following:

In May 2015, the Fund distributed the remaining cash balance to its members.

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Vasquez & Company LLP has over 40-years experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publically traded companies. Vasquez is a member of the McGladrey Alliance. The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance member firms maintain their respective names, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

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