

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND



**PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
June 30, 2020**

A handwritten signature in dark ink, appearing to read "E. H. Schied", is positioned below the title.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND**

MANAGEMENT OVERVIEW

June 30, 2020

Background

The Community Development Revolving Loan Fund (CDRLF) was established by an act of Congress (Public Law 96-123, November 20, 1979) to stimulate economic development in low -income communities. The Community Development Credit Union Transfer Act (Public Law 99-609, November 6, 1986) transferred CDRLF administration to the NCUA. The NCUA Board adopted amendments to Part 705 of NCUA Rules and Regulations on September 16, 1987, and began making loans/deposits to participating credit unions in 1990.

The purpose of the CDRLF is to stimulate economic activities in the communities served by low -income credit unions which will result in increased income, ownership and employment opportunities for low-wealth residents, and other economic growth. The policy of the NCUA is to revolve the loans to qualifying credit unions as often as practical in order to gain maximum impact on as many participating credit unions as possible.

Balance Sheet

Between June 2019 and June 2020, cash and cash equivalents decreased by \$120 thousand, primarily due to:

- a. received \$1.5 million in appropriations from Congress,
- b. received \$2.1 million in loan principal and interest payments,
- c. disbursed \$2.3 million in new loans, and
- d. disbursed \$1.6 million in technical assistance grants.

Between June 2019 and June 2020, loans receivable increased \$45 thousand as a result of 9 new loans issued less 7 loan maturities.

Statements of Revenues, Expenses, and Changes in Fund Balance

During June 2020, the fund awarded 8 urgent need awards totaling \$48 thousand through the revolving fund and 16 emergency fund awards totaling \$159 thousand through the multi-year fund. The fund also earned approximately \$3 thousand in interest revenue.

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
BALANCE SHEETS
As of June 30, 2020 and 2019
(Dollars in thousands)**

	June 2020	June 2019
ASSETS		
Cash and Cash Equivalents	\$ 13,825	\$ 13,945
Loans Receivable	6,230	6,185
Interest Receivable	8	10
TOTAL ASSETS	\$ 20,063	\$ 20,140
 LIABILITIES AND FUND BALANCE		
Accrued Technical Assistance Grants	\$ 4,281	\$ 2,442
Fund Balance		
Fund Capital	14,405	15,750
Accumulated Earnings	1,377	1,948
Total Fund Balance	15,782	17,698
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,063	\$ 20,140

The balances in the statement above are preliminary and unaudited

**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
STATEMENTS OF OPERATIONS
For the Periods Ended June 30, 2020 and 2019
(Dollars in thousands)**

	<u>June 2020</u>	<u>Year-to-Date June 2020</u>	<u>Year-to-Date June 2019</u>
REVENUES			
Interest on Cash Equivalents	\$ 1	\$ 30	\$ 87
Interest on Loans	2	17	20
Appropriations Used	159	1,270	-
Canceled Technical Assistance Grants	-	(176)	(75)
TOTAL REVENUE	<u>162</u>	<u>1,141</u>	<u>32</u>
EXPENSES			
Technical Assistance Grants	207	1,883	18
Canceled Technical Assistance Grants	-	(193)	(76)
Provision for Loan Losses	-	-	-
TOTAL EXPENSES	<u>207</u>	<u>1,690</u>	<u>(58)</u>
NET INCOME / (LOSS)	<u>\$ (45)</u>	<u>\$ (549)</u>	<u>\$ 90</u>

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**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
STATEMENTS OF CHANGES IN FUND BALANCE
For the Periods Ended June 30, 2020 and December 31, 2019
(Dollars in thousands)**

	<u>For Loans</u>	<u>Fund Capital For Technical Assistance</u>	<u>Total Fund Capital</u>	<u>Accumulated Earnings</u>	<u>Total Fund Balance</u>
December 31, 2018	\$ 13,388	\$ 287	\$ 13,675	\$ 1,858	\$ 15,533
Appropriations Received	-	2,000	2,000	-	2,000
Appropriations Used	-	(1,983)	(1,983)	-	(1,983)
Canceled Appropriations - Returned to Treasury	-	(33)	(33)	-	(33)
Canceled Technical Assistance Grants	-	340	340	-	340
Net Income / (Loss)	-	-	-	68	68
December 31, 2019	<u>\$ 13,388</u>	<u>\$ 611</u>	<u>\$ 13,999</u>	<u>\$ 1,926</u>	<u>\$ 15,925</u>
Appropriations Received	-	1,500	1,500	-	1,500
Appropriations Used	-	(1,270)	(1,270)	-	(1,270)
Canceled Appropriations - Returned to Treasury	-	-	-	-	-
Canceled Technical Assistance Grants	-	176	176	-	176
Net Income / (Loss)	-	-	-	(549)	(549)
June 30, 2020	<u>\$ 13,388</u>	<u>\$ 1,017</u>	<u>\$ 14,405</u>	<u>\$ 1,377</u>	<u>\$ 15,782</u>

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**NATIONAL CREDIT UNION ADMINISTRATION
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
STATEMENTS OF CASH FLOWS
For the Periods Ended June 30, 2020 and 2019
(Dollars in thousands)**

	Quarter Ended June 30, 2020	Year-to-Date June 30, 2020	Year-to-Date June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income/(Loss)	\$ (602)	\$ (549)	\$ 90
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities			
Appropriations Used	(1,270)	(1,270)	
Canceled Technical Assistance Grants	-	176	75
Changes in Assets and Liabilities:			
(Increase)/Decrease in Interest Receivable	-	2	4
Increase/(Decrease) in Accrued Technical Assistance Grants	1,410	478	(588)
Net Cash Used in Operating Activities	<u>(462)</u>	<u>(1,163)</u>	<u>(419)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loan Principal Repayments	550	1,300	3,770
Loan Disbursements	<u>(1,500)</u>	<u>(1,500)</u>	<u>(250)</u>
Net Cash Used in or Provided by Investing Activities	<u>(950)</u>	<u>(200)</u>	<u>3,520</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Appropriations Received 2020/2021	-	1,500	-
Appropriations Received 2019/2020	-	-	2,000
Net Cash Provided by Financing Activities	<u>-</u>	<u>1,500</u>	<u>2,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,412)	137	5,101
CASH AND CASH EQUIVALENTS — Beginning of period	15,237	13,688	8,844
CASH AND CASH EQUIVALENTS — End of period	<u>\$ 13,825</u>	<u>\$ 13,825</u>	<u>\$ 13,945</u>

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