

REVOLVING LOAN FUND

FINANCIAL STATEMENTS

(Revised March 17, 2005)

For the Years Ended
June 30, 2004 and 2003

A Corporation Sole - Revolving Loan Fund
Statements of Financial Position
(Prepared by Management)
June 30, 2004

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Assets		
Cash and cash equivalents	\$ 43,733,346	\$ 12,583,074
Accrued interest receivable	1,917,031	1,575,613
Investments, at market	21,491	21,491
Gross Loans receivable	40,161,495	47,176,643
Less Allowance for Loans	(7,344,348)	(8,016,382)
Other assets	115,000	125,000
Total Assets	<u>\$ 78,604,015</u>	<u>\$ 53,465,439</u>
Liabilities and net deficit		
Deposits	\$ 90,969,661	\$ 65,092,021
Due to Office of the Chancellor	-	55,064
Total liabilities	90,969,661	65,147,085
Unrestricted net deficit	<u>(12,365,646)</u>	<u>(11,681,646)</u>
Total liabilities and net deficit	<u>\$ 78,604,015</u>	<u>\$ 53,465,439</u>

A Corporation Sole - Revolving Loan Fund
Statements of Activities
(Prepared by Management)
June 30, 2004

	June 30, 2004	June 30, 2003
Changes in unrestricted net assets:		
Interest revenue:		
Interest on loans	\$ 3,228,371	\$ 3,215,337
Interest on cash and cash equivalents	237,874	169,574
Total interest revenue	3,466,245	3,384,911
Interest expense:		
Interest on deposits	4,249,813	3,562,635
Net interest deficiency before (recovery of) provision for loan losses	(783,568)	(177,723)
(Recovery of) provision for loan losses	(248,888)	441,381
Net deficiency after (recovery of) provision for loan losses	(534,680)	(619,104)
Other revenue (expenses):		
Service fees	(246,338)	(276,115)
Other	97,017	97,248
Total other revenue (expense)	(149,321)	(178,867)
Increase in net deficit before support subsidy	(684,000)	(797,972)
Support Subsidy	0	1,000,000
Increase in unrestricted net deficit	(684,000)	202,028
Unrestricted net deficit at beginning of period	(11,681,646)	(11,883,675)
Unrestricted net deficit at end of period	\$ (12,365,646)	\$ (11,681,646)

A Corporation Sole - Revolving Loan Fund
Statements of Cash Flows
(Prepared by Management)
June 30, 2004

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Operating activities		
Increase (decrease) in unrestricted net assets	\$ (684,000)	\$ 202,028
Adjustments to reconcile to net cash (used) provided by operating activities:		
(Recovery of) provision for loan losses	(248,888)	441,381
Depreciation	10,000	10,000
Increase in accrued interest receivable	(341,418)	(315,880)
Decrease in due to affiliate	(55,064)	(12,538)
Net cash (used) provided by operating activities	(1,319,371)	324,991
Investing activities		
Loans advanced	(3,994,312)	(10,675,778)
Loan principal repayments	10,586,315	9,398,528
Net cash provided (used) by investing activities	6,592,003	(1,277,250)
Financing activities		
Net increase (decrease) in deposits	25,877,640	(1,619,106)
Net cash provided (used) by financing activities	25,877,640	(1,619,106)
Increase (decrease) in cash and cash equivalents	31,150,272	(2,571,365)
Cash and cash equivalents at beginning of year	12,583,074	15,154,439
Cash and cash equivalents at end of year	<u>\$ 43,733,346</u>	<u>\$ 12,583,074</u>