



COMMONWEALTH of VIRGINIA  
*Assistive Technology Loan Fund Authority*

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September 30, 2015

The Honorable Terence R. McAuliffe, Governor of Virginia  
and the Members of the General Assembly of Virginia

In accordance with Section 51.5-59 of the *Code of Virginia* and on behalf of the Board of Directors, it is my pleasure to submit the annual report of the Assistive Technology Loan Fund Authority for the fiscal year ended June 30, 2015. During fiscal year 2015, the Authority helped 93 Virginians with disabilities obtain nearly \$1.4 million in loans for assistive technology.

With a dedicated Board and staff, our alternative finance lending model has proven to be very successful with outstanding direct loans of \$2.5 million and \$7 million available for lending. The Assistive Technology Loan Fund Authority has enabled Virginians with disabilities since 1999 to obtain over \$19 million in loans for assistive technology.

Virginia's Assistive Technology Loan Fund Authority is one of the largest sources in the country providing credit financing for disabled individuals and their families to purchase assistive technology directly related to their disability. This program addresses a significant and unique need to Virginians across incomes and disabilities supporting the acquisition of needed equipment and devices.

Please contact me with any questions, comments or concerns regarding this report or contact Sandra Prince, Executive Director at 804-662-7021.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dw Axelle".

David Axelle, Chair  
ATLFA Board of Directors

Cc: The Honorable William A. Hazel, Jr.

*"Affordable Loans for Assistive Technology"*

# 2015 Annual Report



## Over \$1 Million in Direct Loans for Third Year

### ATLFA Board Members

Dack Axselle, Chair  
Keri Hughes Vice-Chair  
Robert Warren, Jr., Treasurer  
Dean Bonney  
Sandra Cook  
Michael Costanzo  
Jay McLaughlin  
Brian Taylor  
Michael VanDyke  
Joyce Viscomi  
Ronald Lanier  
Barbara Ostrander

### ATLFA Staff

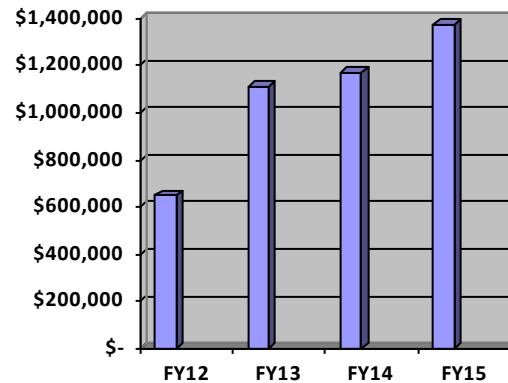
Sandra Prince  
Executive Director  
Christy Crowther  
Program Manager  
Joseph Stepp  
Financial Director

For the third straight year, the Assisted Technology Loan Fund Authority made over \$1 million in direct loans to Virginians with disabilities to help them purchase assistive technology.

Additionally, the value of loans made in fiscal year 2015 of \$1,372,200 represents a 15% increase over FY14.

ATLFA made 93 direct loans in FY15. These loans included 53 loans for modified vehicles, 7 for home modifications, 17 for hearing aids, 6 for vehicle modifications and 10 for other items.

Direct Loans By Fiscal Year



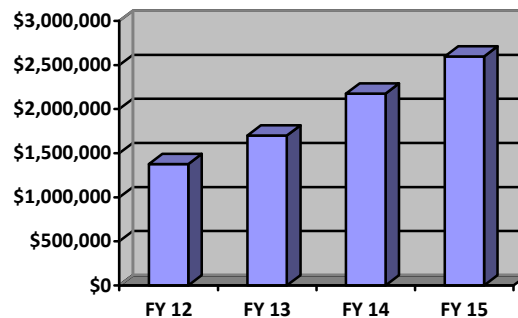
## Loan Portfolio Grows to Over \$2.5 Million

As a result of continued growth in the direct loan program, the loan portfolio grew in FY15, to nearly \$2.6 million in outstanding direct loans at June 30, 2015.

The direct loan balance outstanding represents a 23% increase over the outstanding balance at June 30, 2014.

Additionally, Virginians with disabilities had over \$555,000 in outstanding loans with our banking partner at year-end.

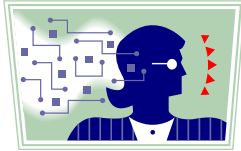
Loan Portfolio Balance



### Mission Statement:

To promote alternative funding resources for Virginians with disabilities to acquire assistive technology that can enhance their independence and improve their quality of life.

## Financial Information



*Historically low interest rates continue to affect interest income. Operating expenses were 5.7% under budget.*

<u>Statement of</u> <u>Net Assets</u>	
Assets:	
Cash	\$ 7,047
Loans Receivable	<u>2,467</u>
(net of allowance of \$130)	
Total Assets	9,514
Liabilities:	
Accrued Leave	<u>(6)</u>
Net Assets	<u>\$9,508</u>

(dollars in thousands)

Note: as of June 30, 2015, ATLFA outstanding loan guarantees were \$89,492.

<u>Statement of Revenues</u> <u>and Expenses</u>	
Revenues:	
Contributions	\$ 2
Loan Interest	109
Interest Income	<u>32</u>
Total Revenues	143
Expenses:	
Grant Awards	(17)
Loan Services	(3)
Payroll	(276)
Administration	(114)
Marketing	(10)
Loan Allowance	<u>(61)</u>
Total Expenses	<u>(481)</u>
Net Expenses	<u>(\$338)</u>

(dollars in thousands)

ATLFA continued to be a good steward of its resources in FY15.

Expenses exclusive of grants and loan write-offs were 5.7% under budget. Loan interest and investment income were 10.8% over budgeted revenue amounts.

ATLFA cash balances at June 30, 2015 were: \$568,000 held in insured bank checking and money market accounts, \$3,044,000 held in FDIC insured certificates of deposit, and \$3,435,000 held by the Treasurer of Virginia in the Local Government Investment Pool.

## No Findings in Annual APA Audit

In June 2015, the Virginia Auditor of Public Accounts completed their annual audit of ATLFA operations for the fiscal year ended June 30, 2014.

The Auditor of Public Accounts found proper recording and reporting of all transactions, in all

material respects, in the Authority's financial system; no matters involving internal control and its operation necessary to bring to management's attention; and no instances of noncompliance with applicable laws and your

regulations or other matters that are required to be reported.

A copy of the annual audit report is available on the APA website at [www.apa.virginia.gov](http://www.apa.virginia.gov).

*"No matters involving internal control and its operation necessary to bring to management's attention."*

## Marketing Continues to be a Priority



ATLFA Staff participated in a number of marketing events; including disability resource fairs in several parts of the Commonwealth, visits to product vendors, exhibits associated with disability fund raising events, and other ways to raise awareness of ATLFA. Participation in Combined Virginia Campaign charity fairs exposed ATLFA to numerous state employees.

ATLFA has also started an effort to have promotional stickers placed on all vehicles purchased with the proceeds of our loans.

The ATLFA web site was also updated to provide a streamlined presentation to potential borrowers and current loanholders alike. The web site was also optimized to assist loanholders to make payments from their phones and tablets.

## ATLFA Meets Nearly All of its Performance Metrics

Fiscal year 2015 marked the second year of ATLFA using its strategic plan to monitor its performance based on certain metrics.

ATLFA achieved most of its performance metrics for fiscal year 2015, falling short of its goal for average closed loan amount. Performance metric targets for Fiscal year 2016 will be revised based on 2015 results and expectations.

### Loan activity:

Applications  
Target 160  
Actual 178

Closed Loans  
Target 82  
Actual 93

Average closed loan  
Target \$15,000  
Actual \$14,755

### Collection activity:

Delinquent Borrowers  
Target 2.50%  
Actual 1.15%

Past due Amounts:  
Target 2.50%  
Actual 2.06%

Loan Write-offs  
Target \$75,000  
Actual \$60,820

Default Rate  
Target 2.00%  
Actual 0.91%

### Administrative activity:

Program Events  
Target 12  
Actual 15

Investment Return  
Target 0.20%  
Actual 0.46%

Investment Income  
Target \$17,500  
Actual \$31,961

Administrative Expenses  
Target \$428,000  
Actual \$420,000

## Write-offs and Delinquencies Remain at Low Levels

ATLFA continued to diligently monitor the payments of our loanholders during fiscal year 2015.

In fiscal year 2015, ATLFA had to write-off only 11 direct loans totaling \$32,000. Sadly, several of these loans had to be written-off due to the death of the loanholder.

Eleven write-offs of direct loans compares favorably with a loan portfolio that contained 262 loans at June 30, 2015.

These write-offs represent a default rate of 0.91% for fiscal year 2015. For the sixth consecutive year, the default rate was below the historic default rate of 5%.

Additionally, one guaranteed loan of \$10,000 had to be written-off.

At June 30, 2015, total past-due amounts were \$53,400 of our total loan portfolio of \$2.6 million. The past-due amount was 2% of the total portfolio amount.

As of June 30, 2015, only 12 of our 262 loanholders had past due amounts with no payments in the past 30 days. Three of those accounts were written-off in the first quarter of fiscal year 2016 and eight made payments in that period.

*The loan default rate has been below 2.5% for the past four consecutive years.*

## Card Payments Continue to Grow

ATLFA continued to provide phone and on-line card payments to our borrowers. Additionally, 17 of our 260 borrowers had set up automatic recurring monthly payments.

In June 2015, 83 of our 260 borrowers made card payments either on-line, by phone, or as an automatic recurring payment. These payments of \$26,300 represented about 33% of regular monthly payments for June.



**ASSISTIVE  
TECHNOLOGY  
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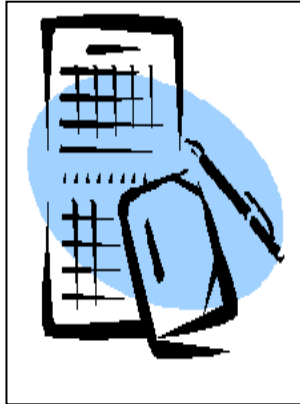
**atlfa@atlfa.org**

We're on the Web!

**www.atlfa.org**



## ATLFA Continues to Review Sustainability



ATLFA's sustainability relies heavily on its ability to maintain a balance between the interest it earns on investments and loans, its operational expenses, and its mission to serve Virginians with disabilities.

Since its inception, ATLFA has struggled to successfully maintain this balance.

Without new capitalization, ATLFA projects to have financial difficulties operating beyond 2033 without significant restrictions on the ability to make new loans

At that point, ATLFA will have operated for nearly 40 years on its initial capitalization.

### Combined Virginia Campaign ... Charity #03153

In our second year as a participating charity, ATLFA received over \$1,000 from the Combined Virginia Campaign. Additionally, ATLFA received donations through the United Way.

ATLFA presented at several charity fairs during the campaign to solicit donations and increase program awareness.

In our first year participating as donors in the CVC program, ATLFA staff earned the Platinum Award for participation rate and amount. Everyone in the ATLFA staff and several Board members contributed to CVC through ATLFA.

To designate funds to ATLFA in the 2015 CVC program, please use charity number 03153.



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