



COMMONWEALTH of VIRGINIA  
*Assistive Technology Loan Fund Authority*

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www.atlfa.org

September 30, 2016

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, 2016. During fiscal year 2016, the Authority helped 103 Virginians with disabilities obtain over \$1.5 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 nearly \$2.9 million and \$6 million available for lending. The Assistive Technology Loan Fund Authority has enabled Virginians with disabilities since 1999 to obtain over \$22 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 Banker, Executive Director at 804-662-7021.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Axselle".

David Axselle, Chair  
ATLFA Board of Directors

Cc: The Honorable William A. Hazel, Jr.

*"Affordable Loans for Assistive Technology"*



Assistive Technology Loan Fund Authority

PROVIDING HELP FOR A BETTER TOMORROW

# Annual Report

FISCAL YEAR 2016

Assistive Technology Loan Fund Authority  
1602 Rolling Hills Drive, Suite 107,  
Richmond, Virginia 23229  
www.atlfa.org  
866-835-5976

## MISSION STATEMENT

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



## Fiscal Year 2016 Highlights

- ATLFA assisted 103 Virginians with disabilities obtain loans to purchase over \$1.5 million in assistive technology in the year ended June 30, 2016. This amount is once again the most ever in the history of the ATLFA program.
- As of June 30, 2016, ATLFA was managing a direct loan portfolio of nearly \$2.9 million with 276 borrowers in repayment. This portfolio balance has more than doubled in the past four years.
- The dollar value of direct loans issued by ATLFA in FY 16 was 9.4% more than in the previous fiscal year.
- As of June 30, 2016, our banking partner was managing 27 loans with a balance over \$250,000 that Virginians with disabilities obtained with ATLFA assistance.

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***ATLFA Helped  
103 Virginians  
with Disabilities  
Get More than  
\$1.5 Million in  
Assistive  
Technology  
This Year.***

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## Financial Information

*Expenses other than grant awards and loan allowance were 7.2% less than budgeted amounts.*

*Revenues continued to be lower due to historically low interest rates and were 5.8% more than budgeted amounts.*



### Statement of Net Assets

(dollars in thousands)

|   |                |
|---|----------------|
| Assets:   |                |
| Cash  | \$6,484        |
| Loans Receivable<br>(net of allowance of \$144) | <u>2,739</u>   |
| Total Assets                                    | 9,223          |
| Liabilities:                                    |                |
| Accrued Leave                                   | <u>(6)</u>     |
| Net Assets                                      | <u>\$9,217</u> |

Cash balances at June 30, 2016 included \$761,000 in federally insured cash balances with our banking partner, \$2,645,000 in the State Treasurer's investment pool, and \$3,078,000 in federally insured certificates of deposit through the CDARS program.

Note: As of June 30, 2016, ATLFA outstanding loan guarantees with our banking partner were \$46,346.

### Statement of Revenues and Expenses

(dollars in thousands)

|                        |                |
|------------------------|----------------|
| Revenues:              |                |
| Contributions          | \$1            |
| Loan Interest and Fees | 134            |
| Investment Income      | <u>43</u>      |
| Total Revenues         | 178            |
| Expenses:              |                |
| Grant Awards           | (2)            |
| Loan Services          | (4)            |
| Payroll                | (287)          |
| Administration         | (105)          |
| Marketing              | (1)            |
| Loan Allowance         | <u>(70)</u>    |
| Total Expenses         | <u>(469)</u>   |
| Net Expenses           | <u>\$(291)</u> |

For fiscal year 2016, actual expenses were 6% less than the \$498,000 budgeted amount. This demonstrates ATLFA's continued good stewardship of its resources.

## Write-offs and Delinquencies Remain at Low Levels

ATLFA continued to diligently monitor loan holder payments in fiscal year 2016. During the year, ATLFA had to write-off only 15 loans totaling \$55,763. Sadly, four of these loans had to be written-off due to the death of the loan holder.

These write-offs represent an annual default rate of 1.36% which while somewhat more than the FY15 rate of 0.91% is still well within the performance measure target of 2.5% and the 5% historical rate.

At June 30, 2016, total past-due amounts were \$51,730 or 1.8% of the total portfolio amount of \$2,883,466.

Also at June 30, 2016, only 17 loan holders had past due amounts with no payments in the past 30 days. All but three of those loan holders made payments in the next 60 days.

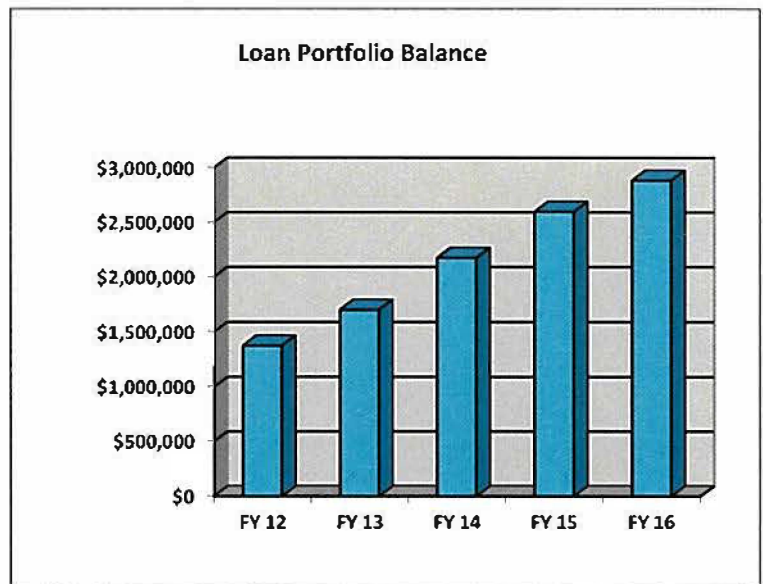
The loan default rate has been below 2.5% for the past five consecutive years.

## ATLFA Continues to Meet Performance Measures

Fiscal year 2016 was the third year of ATLFA using its strategic plan performance measures. Like the previous two years, ATLFA achieved most of its performance metrics. ATLFA had decreases in number of applications, average loan value, and number of program events. All other performance measures achieved performance measure targets.

|   |  |   |
|---|--|---|
| <p><b>Loan activity:</b></p> <p>Applications<br/>Target 180<br/>Actual 163</p> <p>Closed Loans<br/>Target 100<br/>Actual 103</p> <p>Average closed loan<br/>Target \$15,000<br/>Actual \$14,541</p> | <p><b>Collection activity:</b></p> <p>Delinquent Borrowers<br/>Target 2.25%<br/>Actual 1.45%</p> <p>Past due Amounts:<br/>Target 2.25%<br/>Actual 1.79%</p> <p>Loan Write-offs<br/>Target \$70,000<br/>Actual \$55,763</p> <p>Default Rate<br/>Target 2.00%<br/>Actual 1.36%</p> | <p><b>Administrative activity:</b></p> <p>Program Events<br/>Target 15<br/>Actual 11</p> <p>Investment Return<br/>Target 0.58%<br/>Actual 0.66%</p> <p>Investment Income<br/>Target \$38,000<br/>Actual \$43,165</p> <p>Administrative Expenses<br/>Target \$428,000<br/>Actual \$399,200</p> |
|---|--|---|

## Direct Loans and Loan Portfolio Continue to Increase



ATLFA made direct loans in fiscal year 2016 with a value of over \$1.5 million, a 9.4% increase over the value of loans made in fiscal year 2015. Of the 103 loans, 55 were for converted vehicles, 21 were for hearing aids, and 10 were for home modifications. This is the fourth consecutive year with over \$1 million in direct loans. This represents a 29% increase over the loan value made just two years ago.

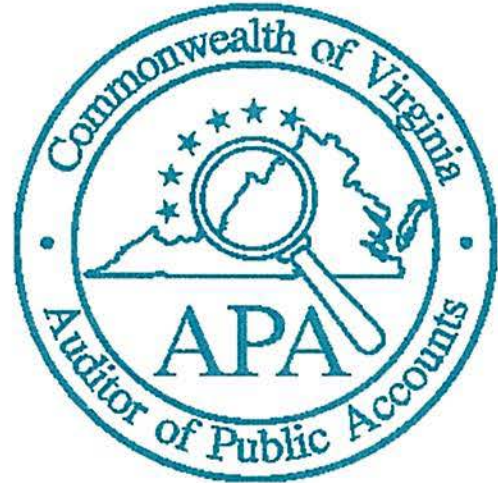
Loan portfolio balance continued to increase in fiscal year 2016 with 276 loan holders having nearly \$3 million outstanding. This represents a 33% increase over the portfolio balance of just two years ago. An additional 27 borrowers had over \$250,000 in outstanding loans with our banking partner.

## No Findings in Annual APA Audit

In July 2016, 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 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).



## Combined Virginia Campaign Charity # 03153



In our second year as a participating charity, ATLFA received over \$1,000 from the Combined Virginia Campaign and other sources. These funds are added to the Consumer Services Program and are used to support disabled Virginians who do not qualify for the loan program. During fiscal year 2016, over \$2,000 in grants were awarded.

In our second year participating as donors in the CVC program, ATLFA staff earned the Platinum Award for participation rate and amount. All 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.

### ATLFA Board Members

Dack Axelle, Chair

Dean Bonney

Sandra Cook

Michael Costanzo

Sarah Liddle

Brian Taylor

Michael VanDyke

Joyce Viscomi

Ronald Lanier

Barbara Ostrander

### ATLFA Staff

Sandra Banker  
Executive Director

Christy Crowther  
Program Manager

Joseph Stepp  
Financial Director