

RPC-USDA REVOLVING LOANS

Fund 474

MISSION STATEMENT

Promote and facilitate economic development initiatives by administering loans in rural areas of Champaign County and the East Central Illinois region.

FINANCIAL

Fund 474 Summary			2015	2016	2016	2017
			Actual	Original	Projected	Budget
331	13	USDA INTMD RELENDING PROG	\$168,750	\$150,000	\$195,000	\$195,000
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$168,750	\$150,000	\$195,000	\$195,000
361	10	INVESTMENT INTEREST	\$20	\$100	\$0	\$0
361	20	INTEREST ON LOANS	\$9,409	\$5,000	\$5,000	\$5,000
		MISCELLANEOUS	\$9,429	\$5,100	\$5,000	\$5,000
REVENUE TOTALS			\$178,179	\$155,100	\$200,000	\$200,000
534	3	REMIT LOAN PAYMENTS	\$31,838	\$55,000	\$55,000	\$55,000
		SERVICES	\$31,838	\$55,000	\$55,000	\$55,000
571	75	TO REG PLAN COMM FUND 075	\$1,267	\$2,500	\$2,500	\$2,500
		INTERFUND EXPENDITURE	\$1,267	\$2,500	\$2,500	\$2,500
EXPENDITURE TOTALS			\$33,105	\$57,500	\$57,500	\$57,500

FUND BALANCE

FY2015 Actual	FY2016 Projected	FY2017 Budgeted
\$579,131	\$721,631	\$864,131

The restricted fund balance will increase in FY2017. The FY2017 fund balance includes all USDA-required local matching funds that will be proportionately disbursed with USDA funds.

ALIGNMENT TO STRATEGIC PLAN

Our loan program and economic development initiatives seek to improve quality of life on individual and community levels. We are ethical, responsible, and serve our clients with integrity. We utilize our public resources efficiently and effectively.

ANALYSIS

OPERATIONS ANALYSIS

The USDA Revolving Loan Fund is a recent addition to RPC's loan programs and accommodates revolving loan activity including disbursement of new loans, receipt of principal and interest payments, investment interest, and transfers to the operating fund for qualified administrative expenses. In FY2017, the RPC hopes to disburse over \$250,000 in economic development and rehabilitation loans to qualified businesses and organizations. The USDA Revolving Loan Fund is projected to experience sustained growth and cash flow will remain healthy. The requirement for issuing these loans in rural communities of populations less than 25,000 will further advance economic development in a six-county region in East Central Illinois. This initiative will enhance and expand our economic development initiatives on a regional basis. Loans receivable are expected to exceed \$100,000.

REVENUE ANALYSIS

Revenue growth will be established upon loan generation to businesses and communities in East Central Illinois, initial USDA loan funds, the generation of new loan activity and low default rates.

EXPENDITURE ANALYSIS

Expenditures in the USDA Revolving Loan Fund reflect transfers to the Operating Fund for administrative expenses related to management of the revolving loan fund, charge off of non-performing loans, and disbursement of grant funds. Administrative expenses for this loan program are estimated at 2% of the average outstanding ultimate recipient loan balance per year.

DESCRIPTION

The Regional Planning Commission seeks to provide effective financial management of the revolving loan portfolio, facilitate countywide and regional economic development initiatives, establish client collaboration to develop business plans, analyze credit and economic impact, and recommend financing decisions.

OBJECTIVES

1. Facilitate regional planning and economic development initiatives in rural communities by providing loans.
2. Ensure comprehensive loan service delivery to all clients and fulfill stated objectives of loan program.
3. Ensure full cost recovery through due diligence in the management of the revolving loan portfolio.
4. Develop strategic plans for future initiatives and develop methods for implementation and resource access.
5. Provide meaningful staff support to loan committee.

PERFORMANCE INDICATORS

1. Successfully close at least two United States Department of Agriculture Intermediary Relending Program (USDA) loan while maintaining an overall portfolio default rate of less than 2%.
2. Promote loan services to the six county area.
3. Maintain an active loan program approval committee.
4. Complete reporting requirements with each loan, quarterly and annual reports.