

## INSTRUCTIONS FOR PREPARATION OF THE STATE OF MONTANA CONSUMER LOAN ANNUAL REPORT OF LICENSEE

All holders of licenses issued under the Montana Consumer Loan Act are required by law to file an annual report of operations for the preceding calendar year. Reports are due by April 15<sup>th</sup> of the following year. Failure to file a complete and accurate report in a timely manner may result in action to revoke the licensee's Consumer Loan License(s).

Information contained in this report is used to determine the volume of business and the types of services offered in Montana by licensees. This information is summarized and published as required by 32-5-308, MCA. In the initial license application, all licensees indicate the ability to extract operating information pertaining only to Montana business. **Include in this report only the results of Montana business conducted under the provisions of the Montana Consumer Loan Act.** The distortions created by the inclusion of other types of business or business results from other states renders your report useless for our analytical and reporting obligations.

Line by line instructions for numbered items of the report follow. **If no loans were made to Montana residents in 2011, check box and complete page one and affidavit only.**

### STATEMENT OF INCOME AND EXPENSES

- Line 8     Charges Collected or Earned: income derived from receivables. If the reporting entity's books are kept on a cash basis, this item will show the actual charges collected. If the reporting entity's books are kept on an accrual basis, this item will show the charges earned.
- Line 9     Other Income: itemize all other significant revenue earned or collected by the entity not derived from receivables. Immaterial amounts may be aggregated and reported as "All Other".
- Line 10    Total Operating Income: the total of Lines 8 and 9a through 9d.
- Line 11    Advertising: the amount expended by the reporting entity during the year for promoting or retaining the business of the reporting entity. Show only the amount for purchases of advertising supplies or outside services.
- Line 12    Auditing: the amount incurred by the reporting entity during the year for accounting and auditing services.
- Line 13a   Debts Charged Off: the reporting entity's bad debts actually written off during the year
- Line 13b   Recoveries: the total of amounts (principal, interest and other charges) received by the reporting entity during the year on accounts that were previously written off as bad debts.
- Line 13c   Additions to Reserve for Bad Debts: bad debt reserves maintained on the reporting entity's books.
- Line 14    Depreciation and Amortization: the amount expended for fixed assets and other depreciable assets.
- Line 15    Insurance and Fidelity Bonds: the amount expended by the reporting entity during the year for all insurance and bonding of employees.

- Line 16 Legal Fees and Disbursements: the amount expended by the reporting entity during the year for legal fees and disbursements related to the activities of outside counsel. Do not include recording or notary fees.
- Line 17 Postage, Printing, Stationery and Supplies: self-explanatory.
- Line 18 Rent, Utilities and Janitorial Services: the total amount paid by the reporting entity during the year for the rental of building, office equipment, etc.; janitorial services and utilities, including heat, light, water, sewer, etc. Expenses for janitorial services are to be included here if they are not performed by an employee. If performed by an employee, include on Line 20.
- Line 19 Salaries of Officers, Owners, Partners and Members: the total amount paid in salaries, bonuses and pensions during the year.
- Line 20 Salaries of all Other Employees: the total amount of all salaries, bonuses, wages and pensions paid during the year to employees who are not officers, owners, partners or members.
- Line 21 Taxes, other than Income: the total amount of all property taxes and other taxes not reported on Lines 30 or 31.
- Line 22 License Fees: the amount expended by the reporting entity during the year on license fees paid to city, county, state, and federal governments.
- Line 23 Telephone and Other Communications: self-explanatory.
- Line 24 Travel: the total amount expended by the reporting entity during the year for travel and travel-related activities. The amount includes but is not limited to direct payment or employee reimbursement for air, taxi, bus, train, and vehicle rental expenses; lodging and meals; travel insurance; use of employee-owned vehicles; and registration and other fees, insurance, and repairs to vehicles owned by the reporting entity.
- Line 25 Supervision & Administration (when not allocated to other items): the total amount of expenses of an affiliated entity directly assigned or allocated to the reporting entity during the year.
- Line 26 Other Expenses: all other expenses of the reporting entity not reported elsewhere on this schedule.
- Line 27a Interest on Borrowed Funds paid to a parent or affiliate entity: the total interest expense paid during the year on all debt obligations to parent or affiliate entities.
- Line 27b Interest on Borrowed Funds paid to others: the total interest expense paid during the year on all debt obligations to other entities.
- Line 28 Total Expenses Before Income Taxes: the total of lines 11 through 27.
- Line 29 Net Income Before Income Taxes: line 10 minus line 28.
- Line 30 Federal Income Taxes: the total amount of federal income taxes paid or accrued by the reporting entity during the year.
- Line 31 State Income Taxes: the total amount of state income taxes paid or accrued by the reporting entity during the year.
- Line 32 Total Expenses: line 28 plus lines 30 and 31.

Line 33 Net Income: line 10 minus line 32.

## **STATEMENT OF LIQUID AND EARNING ASSETS**

Line 34 Cash on Hand and in Banks: the amount of cash on hand or on deposit with a financial institution at the end of the year.

Line 35 Short-term Investments: the amount of certificates of deposit, treasury bills, and other investments of a liquid and short-term nature.

Line 36a Gross Receivables: the actual gross amount of receivables outstanding at year- end.

Line 36b Less Unearned Discount: the amount of interest and other charges, included on Line 36a, that was unearned as of year-end.

Line 37 Net Loans Receivable: line 36a minus line 36b.

Line 38 Less Reserve for Bad Debts: the amount of which the reporting entity has segregated for uncollectible accounts.

Line 39 Adjusted Loans Receivable: line 37 minus line 38.

Line 40 Total Liquid and Earning Assets: the total of lines 34, 35 and 39.

Line 41 Average Net Receivables Outstanding: the aggregate of outstanding net receivables at the end of each month during the calendar year that the reporting entity held a Montana license, divided by the number of months during the calendar year that the reporting entity held a Montana license.

Line 42 Average Number of Accounts Outstanding: use the same procedure as for Line 41, but substitute the number accounts outstanding for the dollar volume of net receivables.

## **DELINQUENCY SUMMARY**

Line 43 Past Due Accounts – 60 to 89 days: the total number and outstanding principal amount of accounts which have had no collection of principal, interest or charges for 60 to 89 days.

Line 44 Past Due Accounts – 90 or more days: the total number and outstanding principal amount of accounts which have had no collection of principal, interest or charges for 90 days or more.

Line 45 Totals: self-explanatory.

Line 46 Delinquency as a Percent of Gross Receivables: the total amount of delinquent accounts from line 45 divided by the amount for the current reporting year shown on line 36a.

## **LEGAL ACTION**

These items are considered self-explanatory, and are intended to show cases in which legal remedies are used for collection of regulated business accounts.

## **DISTRIBUTION OF REGULATED LOANS MADE DURING THE YEAR**

For each category in Lines 50 through 68, report the total number of loans made during the year and the aggregate original amount of such loans. The totals, on Lines 61 and 69 must agree with each other, both as to number and amount.

The schedule for reporting loans by type of security also requires reporting the range of interest rates the reporting entity charged during the year. Report the stated rate of interest, not the APR.