

INSTRUCTIONS FOR PREPARATION OF THE STATE OF MONTANA DEFERRED DEPOSIT LOAN ANNUAL REPORT OF LICENSEE

All holders of licenses issued under the Montana Deferred Deposit Loan Act are required by law to file an annual report of operations for the preceding calendar year. Reports are due by March 31st 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 Deferred Deposit Lender 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 31-1-714, 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 Deferred Deposit Lender 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 7 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 8 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 9 Total Operating Income: the total of Lines 7 and 8.
- Line 10 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 11 Auditing: the amount incurred by the reporting entity during the year for accounting and auditing services.
- Line 12a Debts Charged Off: the reporting entity's bad debts actually written off during the year.
- Line 12b 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 12c Additions to Reserve for Bad Debts: bad debt reserves maintained on the reporting entity's books.
- Line 13 Depreciation and Amortization: the amount expended for fixed assets and other depreciable assets.

- Line 14 Insurance and Fidelity Bonds: the amount expended by the reporting entity during the year for all insurance and bonding of employees.
- Line 15 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 16 Postage, Printing, Stationery and Supplies: self-explanatory.
- Line 17 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 19.
- Line 18 Salaries of Officers, Owners, Partners and Members: the total amount paid in salaries, bonuses and pensions during the year.
- Line 19 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 20 Taxes, other than Income: the total amount of all property taxes and other taxes not reported on Lines 29 or 30.
- Line 21 License Fees: the amount expended by the reporting entity during the year on license fees paid to city, county, state, and federal governments.
- Line 22 Telephone and Other Communications: self-explanatory.
- Line 23 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 24 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 25 Other Expenses (itemize): all other expenses of the reporting entity not reported elsewhere on this schedule.
- Line 26a 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 26b Interest on Borrowed Funds paid to others: the total interest expense paid during the year on all debt obligations to other entities.
- Line 27 Total Expenses Before Income Taxes: the total of lines 10 through 26.
- Line 28 Net Income Before Income Taxes: line 9 minus line 27.
- Line 29 Federal Income Taxes: the total amount of federal income taxes paid or accrued by the reporting entity during the year.

- Line 30 State Income Taxes: the total amount of state income taxes paid or accrued by the reporting entity during the year.
- Line 31 Total Expenses: line 27 plus lines 29 and 30.
- Line 32 Net Income: line 9 minus line 31.

STATEMENT OF ASSETS AND LIABILITIES

- Line 33 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 34 Investments: the amount of certificates of deposit, treasury bills, and other investments of a liquid and short-term nature.
- Line 35 Loans Receivable: the actual gross amount of receivables outstanding at year-end.
- Line 36 Less Reserve for Bad Debts: the amount of which the reporting entity has segregated for uncollectible accounts.
- Line 37 Furniture & Fixed Assets: long-term tangible pieces of property owned and used in the production of income and is not expected to be consumed or converted into cash any sooner than at least one year's time.
- Line 38 All Other Assets (specify): any other fixed intangible assets.
- Line 39 Total Assets: total of lines 33 through 38.
- Line 40 Accounts Payable: the amount owed to creditors for goods and services.
- Line 41 Short-term Loans Payable: loans payable in one year.
- Line 42 Current Portion of Long-Term Loans Payable: long-term loan payments scheduled within the next 12 months.
- Line 43 All Other Short-term Liabilities (specify): all other short-term liabilities other than those listed under lines 40 through 42.
- Line 44 Long-term Loans Payable: loans payable with a term of greater than one year.
- Line 45 All Other Long-term Liabilities (specify): all other long-term liabilities other than those listed under line 44.
- Line 46 Total Liabilities: total of lines 40 through 45.
- Line 47 Capital Stock: all shares representing ownership of a business, including preferred and common.
- Line 48 Paid in Surplus: the difference on the sale of a new issue of stock to stockholders between the actual price obtained and the nominal stock price.
- Line 49 Undivided Profits: profits that have neither been paid out as dividends nor transferred to a surplus account.
- Line 50 Capital Reserves: money set aside for unforeseen expenses for which you cannot budget.

Line 51 Other Components of Net Worth (specify): other components of net worth not included in lines 47 through 50.

Line 52 Total Net Worth: total of lines 47 through 51.

Line 53 Total Liabilities & Net Worth: must agree with line 39.

STATEMENT OF LOAN ACTIVITY

Line 54 - Line 65 Reporting of the total number and dollar amount (principal only) of deferred deposit loans made, checks returned & recovered during the calendar year.