



FY 2011 Annual Report
TALLAHASSEE **LENDERS**
CONSORTIUM

September 30, 2011





Mission Statement

Our mission is to make the dream of affordable homeownership a reality by improving people's ability to obtain and retain safe, affordable housing through: creating housing options; providing homebuyer education; and providing access to affordable financing.

Letter from the Executive Director

Libby Lane

This past year has been an exciting time for TLC!

Purchasing a home is one of the largest investments most people make. We find that, for many people there is the desire to become a homeowner, but there are many obstacles that must be overcome. We help families realize their dream of homeownership while helping them build stronger communities one family at a time.

We believe in the importance of homebuyer counseling and education and know that the services we provide builds a strong foundation for our clients on which to succeed, and helps them, to become responsible homeowners.

Our counseling and education equips families to make the best decisions, and reduces the possibility of future delinquency and default. This has been proven through our low foreclosure rate. Only 1.56 percent of clients we have counseled, and who have received down payment assistance through the program we administer on behalf of the City of Tallahassee from 2000-2011 have lost their homes through foreclosure. Through

our credit counseling, we help families rebuild and restore their credit, resulting in a change of behavior. Through our budgeting counseling we help families learn how to live within their means, with a strong emphasis on savings. Through our delinquency counseling program, we help families keep their homes.

We believe that what we do greatly affects a family's quality of life, especially children. Studies have been conducted which concluded that children of homeowners have higher test scores, are more likely to finish high school, have fewer behavior problems, and are less likely to become involved in crime. For all of the reasons above, TLC's staff is dedicated to our clients and to the wonderful meaningful work that we do. This year has also been a productive year, thanks to our many lending partners as well as our board of directors, under the leadership of Vereen Smith. We worked toward strengthening community partnerships, continued to improve our core processes and services, and also expanded our role in delinquency and foreclosure prevention counseling.

- Libby Lane, TLC Executive Director.

Report of Independent Auditors

The Board of Directors
Tallahassee Lenders' Consortium, Inc.

We have audited the accompanying statement of financial position of Tallahassee Lenders' Consortium, Inc. (the Consortium) as of September 30, 2011, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Consortium's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Consortium as of and for the year ended September 30, 2010, were audited by other auditors whose report dated January 20, 2011, expressed an unqualified opinion on the statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Tallahassee Lenders' Consortium, Inc. as of September 30, 2011, and the changes in its net assets and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, on our consideration of the Consortium's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Tallahassee Lenders' Consortium, Inc.

Statements of Financial Position

	September 30,	
	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 395,495	\$ 288,714
Restricted cash	311,249	297,641
Accounts receivable	98,404	79,159
Prepaid expenses and other assets	<u>2,919</u>	<u>9,008</u>
Total current assets	808,067	674,522
Property and equipment, net	<u>244,654</u>	<u>249,547</u>
Total assets	\$ <u>1,052,721</u>	\$ <u>924,069</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 26,053	\$ 22,687
Current maturities of debt	365,490	368,495
Deferred revenue	<u>119,192</u>	<u>4,750</u>
Total current liabilities	510,735	395,932
Long-term debt	<u>-</u>	<u>38,889</u>
Total liabilities	510,735	434,821
Net assets:		
Unrestricted	502,986	489,248
Permanently restricted capital asset funds	<u>39,000</u>	<u>-</u>
Total net assets	<u>541,986</u>	<u>489,248</u>
Total liabilities and net assets	\$ <u>1,052,721</u>	\$ <u>924,069</u>

See accompanying notes.

Tallahassee Lenders' Consortium, Inc.

Statements of Activities and Changes in Net Assets

	Years ended September 30,			2010
	2011		Total	
	Unrestricted	Permanently Restricted		
Changes in net assets:				
Revenues and other support:				
Down payment assistance	\$ 456,000	\$ -	\$ 456,000	\$ 911,000
Banking contributions	26,000	-	26,000	23,167
CHDO counseling & education	-	-	-	98,552
City of Tallahassee grants	113,990	-	113,990	175,000
Counseling services	57,239	-	57,239	13,128
Credit bureau	13,641	-	13,641	12,415
Direct federal grants	64,468	-	64,468	60,964
Interest income	1,750	-	1,750	2,561
Leon County grants	6,225	-	6,225	15,850
Loss on sale of equipment	-	-	-	(2,921)
NeighborWorks America grants	47,000	39,000	86,000	-
Other contributions	26,233	-	26,233	25,913
Origination fees	50,868	-	50,868	101,000
Total revenues and other support	863,414	39,000	902,414	1,436,629
Expenses:				
Down payment assistance	456,000	-	456,000	911,000
Housing assistance and counseling	298,881	-	298,881	300,597
General and administrative expenses	94,795	-	94,795	88,985
Total expenses	849,676	-	849,676	1,300,582
Change in net assets	13,738	39,000	52,738	136,047
Net assets at beginning of year	489,248	-	489,248	353,201
Net assets at end of year	\$ 502,986	\$ 39,000	\$ 541,986	\$ 489,248

See accompanying notes.

Tallahassee Lenders' Consortium, Inc.

Statements of Cash Flows

	Years ended September 30,	
	<u>2011</u>	<u>2010</u>
Operating activities		
Change in net assets	\$ 52,738	\$ 136,047
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,342	7,947
Loss on disposal of assets	-	2,921
Changes in operating assets and liabilities:		
Accounts receivable	(19,245)	79,977
Prepaid expenses and other assets	6,089	(205)
Accounts payable and accrued expenses	3,366	(12,021)
Unearned revenue	<u>114,442</u>	<u>(93,802)</u>
Net cash provided by operating activities	<u>164,732</u>	<u>120,864</u>
Investing activities		
Purchases of property and equipment	<u>(2,449)</u>	<u>(995)</u>
Net cash used in investing activities	<u>(2,449)</u>	<u>(995)</u>
Financing activities		
Repayments on notes payable	<u>(41,894)</u>	<u>(318,127)</u>
Net cash used in financing activities	<u>(41,894)</u>	<u>(318,127)</u>
Net increase (decrease) in cash and cash equivalents	120,389	(198,258)
Cash and cash equivalents at beginning of year	<u>586,355</u>	<u>784,613</u>
Cash and cash equivalents at end of year	<u>\$ 706,744</u>	<u>\$ 586,355</u>
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 395,495	\$ 288,714
Restricted cash	<u>311,249</u>	<u>297,641</u>
	<u>\$ 706,744</u>	<u>\$ 586,355</u>
Supplemental disclosures of cash flow information		
Interest paid	\$ 2,453	\$ 12,336

See accompanying notes.

Tallahassee Lenders' Consortium, Inc.

Notes to Financial Statements

Years ended September 30, 2011 and 2010

1. Nature of Operations and Significant Accounting Policies

The Tallahassee Lenders' Consortium, Inc. (the Consortium) is a non-profit corporation. Its primary purpose is to operate for the advancement of affordable housing by distribution of its funds for such purposes, and for development of financing resources to support affordable housing.

Basis of Presentation

The Consortium uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consist of deposits with a financial institution and deposits in highly liquid money market funds. The financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. Restricted cash represents cash available and designated for the use of the Down Payment Assistance Program (see Note 4). Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Consortium has not experienced any losses in such accounts.

For purposes of the statements of cash flows, cash and interest bearing deposits with an original maturity of three months or less are considered cash equivalents.

Accounts Receivable

Accounts receivable balances consist of contract and grant receivables from various sources. The Consortium provides an allowance for doubtful accounts based upon the anticipated collectibility of each specific account. At September 30, 2011, the Consortium had established an allowance for uncollectible amount of \$7,000.

Tallahassee Lenders' Consortium, Inc.

Notes to Financial Statements

6. Employees Benefit Plan

The Consortium maintains a tax-sheltered annuity plan under Internal Revenue Code Section 403(b). Only voluntary employee contributions have been made during 2011 and 2010.

7. Commitments and Contingencies

In the normal course of operations, the Consortium participates in a number of federal and state assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, the Consortium has no such request pending, and in the opinion of management, any such amounts would not be considered material.



NeighborWorks[®]
CHARTERED MEMBER

TLC

DOWN PAYMENT ASSISTANCE:

There are only a few requirements to be eligible for this program:

- You may not have owned a home for the last three years, unless you are a displaced homemaker, or your home has been determined to be substandard.
- You must occupy the home that you buy,
- Must contribute \$500 of your own funds.
- In order to qualify for down payment assistance, the home you buy must be within the Tallahassee city limits and cannot be a mobile home.
- You cannot earn more than the income limits listed below.

Size	1	2	3	4	5	6
Income	36,050	41,200	46,350	51,450	55,600	59,700

PLEASE NOTE: These figures are your GROSS income before taxes. These figures are subject to change annually.

The down payment assistance provided is in the form of a second mortgage loan. No interest is charged and no payments are due on the loan until any one of the four things happens:

- You sell your home
- You refinance your home
- You repay your loan after 30 years
- You rent your house and are no longer living in it. If any of these four things happens, you will be required to pay off the second mortgage.

Down Payment Assistance Amounts:

Tallahassee City Limits
\$7,125 Maximum
$\$12,050 \leq 50\% \text{ AMI}$



COMPLETE LIST OF OUR SERVICES:

In addition to our Down Payment, TLC provides various other services. Please feel free to refer your friends, family and colleagues for assistance.

PRE-PURCHASE COUNSELING

Prospective home buyers are provided with information to access the resources they need to begin an earnest journey to home ownership.

DELINQUENCY MORTGAGE COUNSELING

TLC provides delinquent mortgage counseling. For more information or to make an appointment, please complete questionnaire and email to Nancy Medefind at medefindn@tallahasseelenders.org.

REVERSE MORTGAGE COUNSELING

Homeowners age 62 or older are eligible to receive a special type of home loan that lets a homeowner convert a portion of equity in his or her home into cash. For more information or to make an appointment call (850) 222-6609.

POST HOME OWNERSHIP WORKSHOP

A unique feature of Tallahassee Lenders' Consortium is the after-purchase instruction (usually six or 12 months after closing) as an extended service. The two hour free workshop is held twice a year. For more information about our next course visit our website at TallahasseeLenders.org.

FINANCIAL FITNESS WORKSHOP

The information included in this class will help you understand the basics of budgeting, credit and credit reporting. The free two-hour night class is held monthly at the public library or at another conveniently located site.

TLC HOME BUYERS CLUB

The Club provides support to assist club members in becoming eligible for home ownership through education, counseling, peer support and goal setting. For information about our next meeting visit our website at TallahasseeLenders.org.



2011 Accomplishments

- TLC became an affiliate of NeighborWorks America this year. NeighborWorks is the country's leader in affordable housing and community development.
- TLC received a notification of a grant in the amount of \$100,000 per year for the next three years to expand out services into four nearby rural communities beginning Oct. 1, 2011
- TLC paid off the mortgage loan on our office building, thanks to the grant from NeighborWorks.
- We received a \$65,676 grant to provide counseling services and participated in a HUD Check presentation.
- TLC received a \$2,500 grant from Bank of America for foreclosure counseling.
- TLC continued to serve clients under a MOU with Bank of America to provide counseling to their clients for a fee of \$300 paid at closing.



Libby, Vereen receive \$2,500 grant from Annette Jilek of Bank of America in April.

- Based on the Supreme Court's Administrative order, which requires mandatory mortgage foreclosure mediation, TLC continued to provide counseling services under an agreement with the Tallahassee Bar Foundation.
- TLC was approved by the Florida Housing Finance Corporation as a Hardest Hit adviser and has been working with clients to help them avoid foreclosure.

• Number of Clients Assisted:

Home Buyer Orientation Class Attendees: 552

Pre-purchase/Budget Counseling Sessions: 382

Financial Literacy Class Attendees: 116

Home Buyer Education Class Attendees: 380

Down Payment Assistance Loans Closed: 55 (\$456,000)

Delinquent Clients Counseled: 107

Foreclosure Clients Counseled: 410

Reverse Mortgage Clients: 85

- TLC's Board updated our Strategic Plan, which includes five strategies: outreach, housing attainment, education/counseling, organizational development, and financial stability.
- TLC hosted a successful annual Spring showcase event in March at the Fairgrounds. In addition to the Showcase, this year, we also held a pre-Showcase event at Hotel Duval, "Party with a Purpose" with guest host Lauren Searcy, news anchor for WCTV.

2012 Goals

- **Event Fundraising**
- **Implementation of a private donor solicitation initiative.**
- **Creation of a Touching Lives with Care "TLC" club.**
- **Implementation of a successful expansion of our services into the Town of Havana, Wakulla County, Jefferson County, and Madison County.**

2011 Board of Directors

TLC Staff

Libby Lane

Executive Director

Nicole Everett

Assistant Director

Len Hardy

Administrative Assistant

Karen Blankenship

Reverse Mortgage Counselor

Tonya McClure

Housing Administrator

Nancy Medefind

Homeownership Specialist



Vereen Smith

President



Pat Gaver

Vice President



Brian Baggett

Secretary



Janiea Daniels

Treasurer



Eric Swanigan

Board Director



Tonya McClure and Len Hardy at "Party with a Purpose," Feb. 3, 2011.



Guest pose at "Party with a Purpose," on Feb. 3, 2011.



Sunshine Saving Bank's Matt Collier and Brian Baggett at the annual Home-buyer Showcase in March.



Affordable Housing Day at the Capitol, April 13.



Capital Area Action Network's Dot Inman-Johnson, AARP's Charles Milstead, and Nicole Everett at Affordable Housing Day on April 13.



(L-R) Eric Swanigan, Vereen Smith, HUD's Elaine Spencer, Nicole Everett, City of Tallahassee's Tom Lewis, Libby Lane and Pat Gaver

Member Lenders:

Bank of America
3430 Thomasville Rd
Tallahassee, FL 32309
(850)907-3121

Wells Fargo Company
1997 Capital Circle
Tallahassee, FL 32308
(850)320-1090

**Tallahassee State Bank-
Synovus Mortgage**
3474 Thomasville Rd
Tallahassee, FL 32309
(850)224-3344

Superior Bank
1276 Metropolitan Blvd.
Tallahassee, FL 32312
(850)523-2503

**Florida Commerce Credit
Union**
1620 Futura Dr
Tallahassee, FL 32317
(850)488-0035

Branch, Banking & Trust
3233 Thomasville Rd
Tallahassee, FL 32308
(850)385-3300

Sunshine Savings Bank
3534-A Thomasville Rd
Tallahassee, FL 32309
(850)219-7307

Capital City Bank
1301 Metropolitan Blvd.
Tallahassee, FL 32308
(850)402-8001

Regions Bank
2000 Capital Circle NE
Tallahassee, FL 32308
(850)523-4679

Envision Credit Union
440 North Monroe St.
Tallahassee, FL 32301
(850)942-9234

Hancock Bank
2435 Mahan Dr
Tallahassee, FL 32308
(850)325-6595

SunTrust Bank
2051 Thomasville Rd
Tallahassee, FL 32308
(850)298-1590

Testimonial

"I want to go on record saying that the Tallahassee Lenders' Consortium has been a blessing in me and my

son's lives by assisting us in buying our new home. I honestly thought that I would never own my own

home but TLC has made that dream a reality and I want to thank them from the bottom of my heart.

Thank you TLC!"

-Maxine Jefferson,
closed Oct. 29, 2010.



Neighbor Works Check Presentation, Oct. 19, 2011

(L-R) Donald Phoenix - Southern District Director NeighborWorks America, Libby Lane, Vereen Smith, Eric Swanigan, Pat Gaver, Janeia Daniels Ingram and Douglas Gaither - Southern District Relationship Manager NeighborWorks America.





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