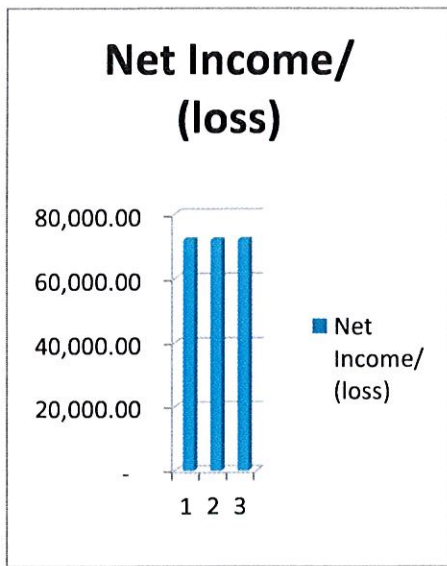


Warm Springs Tribal Credit Enterprise  
 June 25, 2020  
 Pro-Forma Balance Sheet 2021-2023

Balance Sheet	2021	2022	2023
<b>Asset</b>			
Cash	3,500,000	3,500,000	3,500,000
Investment	15,000,000	15,090,000	15,095,000
Interst receivable	230,000	231,000	232,000
construction advances	300,000	300,000	300,000
Loans receivable	17,000,000	18,000,000	19,000,000
Capital Assets	2,000,000	2,100,000	2,200,000
Foreclosed Assets			
	38,030,000	39,221,000	40,327,000
<b>Liabilities</b>			
account payable	17,600	17,600	17,600
Payroll and related Accr	60,000	60,000	60,000
Other accrued liabilities	177,200	177,200	177,200
<b>Net Assets</b>			
Invested In capital assets	1,800,000	2,200,000	2,200,000
Unrestricted	35,975,200	36,766,200	37,872,200
	38,030,000	39,221,000	40,327,000

Warm Springs Tribal Credit Enterprise  
 June 25, 2020  
 Pro-Forma Income Statement 2021-2023

Income Statement	2021	2022	2023
Revenue	3,258,144.00	3,258,144.00	3,258,144.00
Investment	264,000.00	264,000.00	264,000.00
Payroll and Taxes	(924,777.84)	(924,777.84)	(924,777.84)
Expenses	(544,604.16)	(544,604.16)	(544,604.16)
Loans	(1,980,816.12)	(1,980,816.12)	(1,980,816.12)
Dividend	-	-	-
<b>Net Income/ (loss)</b>	<b>71,945.88</b>	<b>71,945.88</b>	<b>71,945.88</b>



## Warm Springs Tribal Credit Enterprise

June 25, 2020

### INTRODUCTION

The Warm Springs Tribal Credit Enterprise is a unique financial institution with funding originated through referendum vote from tribal monies that have grown in a revolving fund allowing for a self-sufficient enterprise. The original intent of the funding was solely for relending when it was approved by a tribal member vote and when the operation was changed from a tribal department to an enterprise in 1996. Subsequently, the Tribe has requested and received annual dividends from the investment earnings of the Tribal Credit Enterprise to supplement their operating budget.

The objectives set forth in this document are based on goals established by the Warm Springs Tribal Credit Enterprise and its board of directors and are designed to address priorities.

### MISSION

**Our most important goal is to ensure that the loans and services we provide today will be here and available for future generations perpetually.**

We are always mindful that a vibrant and growing tribal economy is one of the strength requirements for preserving, protecting, defending, and asserting tribal sovereignty.

### GOALS

- Provide access to affordable consumer, housing and commercial (business) financing to qualified tribal members, tribal member-owned businesses and tribal enterprises.
- Ensure that all loans granted are repaid in full.
- Provide financial education, guidance and services to the community.
- Continue our efforts to bring full banking services to the reservation.
- Manage funds to achieve a reasonable profit level and maximize return on invested Tribal capital.

### PRIORITIES

- Collection of defaulted and non-performing loans.
- Continue and maintain plan to preserve enterprise operation by reserving funds for the future and any financial crisis that may arise.
- Participate with other lenders and community entities to provide for needs of tribal members.
- Complete update Section 710 of tribal judicial code and policies and procedures manual.

**Warm Springs Tribal Credit Enterprise**  
**June 25, 2020**

**CURRENT STATISTICS**

Approximately 35 loans per month are processed. We anticipate approximately 422 new loans will be made for the current year totaling approximately \$1,000,000.00. Loan demand is dramatically down this year due to three month shutdown because of the Covid19 pandemic. Demand is anticipated to remain slow due to the uncertainty of future shutdown fears and possible loss of income of tribal members. Borrowers in the large 18-20 year old age group remain mostly ineligible for per capita repayment loans because their entire monthly dividend is deposited into their trust accounts. At this time we are making personal loans and allowing per capita and senior pension repayments that do not extend beyond 2020 for most borrowers without earned income. Housing continues to be very much in demand for those who can qualify. Business loan numbers are flat. Delinquency rate is approximately 14% of total outstanding (\$2,914,680.00 total delinquency amount). The total delinquency has decreased by (0.5%) compared to 2019. Collection activity has been slow on collateralized loans and on unsecured loans.

Currently entire loan portfolio consists of:

Housing Loans	\$ 18,334,636.00	86%
Personal Loans	996,130.00	5%
Business Loans	217,309.00	1%
Inactive/Non-Performing Loans	<u>1,687,080.00</u>	8%
	<b>\$21,235,155.00</b>	<b>100%</b>

**PROJECTED INCOME STATISTICS**

A dividend of \$335,000.00 was paid to the Tribe in 2020 specifically for grant matching funds for repairs to the wastewater treatment plant.

Lending for qualified borrowers continues, though it has decreased slightly in volume, overall. The enterprise will remain stable enough financially to be able to continue to operate despite challenges. The loans considered to be uncollectible on per capita repayment that remain are being concentrated on to be worked out and continue to have an adverse affect on life insurance coverage, delinquency and interest earnings. It is uncertain whether or not per capita will be paid in 2020 and thereafter. Projections in this report reflect assumption that per capita and senior pension will be discontinued and that Tribal Credit will not be paying any dividends to the Tribes.

## **RECOMMENDATIONS**

The Tribal Credit Board of Directors and management feel that in order for our mission, goals and priorities to be achieved, as well as maintaining our existing staff, future requests for dividends to supplement the tribal general fund will be carefully considered to ensure the future survival of the Tribal Credit Enterprise. It is doubtful that the enterprise will be in a position to consider a dividend for the 2021-2023 operating budgets. The enterprise will continue collection efforts and move forward conservatively, giving careful consideration to every loan made to minimize risk while providing vital services to the tribal membership.

Warm Springs Tribal Credit Enterprise

Date: June 26, 2020

**Employment Data**

Census	Description	Number of employees
1	Tribal Members	11
2	Married into Tribes	
3	Other Indian	
4	Non-Indian	
	TOTAL EMPLOYEES	11

Employment Census was taken as of: June 26, 2020

Note= If