
§ 120.830 Reports a CDC must submit.

A CDC must submit the following reports to SBA:

(a) An Annual Report within one hundred-eighty days after the end of the CDC's fiscal year (to include Federal tax returns for that year). A CDC that is certified by SBA within 6 months of the CDC's fiscal year-end is not required to submit an Annual Report for that year. The Annual Report must include, but is not limited to, the following:

(1) Audited or Reviewed Financial Statements as required in § 120.826(c) and (d) for the CDC and any affiliates or subsidiaries of the CDC.

(i) Audited financial statements must, at a minimum, include the following:

- (A)** Audited balance sheet;
- (B)** Audited statement of income (or receipts) and expenses;
- (C)** Audited statement of source and application of funds;
- (D)** Such footnotes as are necessary to an understanding of the financial statements;
- (E)** Auditor's letter to management on internal control weaknesses; and
- (F)** The auditor's report; and

(ii) Reviewed financial statements must, at a minimum, include the following:

- (A)** Balance sheet;
- (B)** Statement of income (or receipts) and expenses;
- (C)** Statement of source and application of funds;
- (D)** Such footnotes as are necessary to an understanding of the financial statements;
- (E)** The accountant's review report; and

(2) Report on compensation: CDCs are required to provide detailed information on total compensation (including salary, bonuses and expenses) paid within the CDC's most recent tax year for current and former officers and directors, and for current and former employees and independent contractors with total compensation of more than \$ 100,000 during that period.

(3) Certification of members of the Board of Directors. Written annual certification by each Board member that he or she has read and understands the requirements set forth in § 120.823.

(4) Report on investment in economic development. Written report on investments in economic development in each State in which the CDC has an outstanding 504 loan.

(b) For each new associate and staff, a Statement of Personal History (for use by non-bank lenders and CDCs) and other information required by SBA;

(c) Reports of involvement in any legal proceeding;

(d) Changes in organizational status;

(e) Changes in any condition that affects its eligibility to continue to participate in the 504 program; and

(f) Quarterly service reports on each loan in its portfolio which is 60 days or more past due (and interim reports upon request by SBA).

(g) Other reports as required by SBA.