

**Rainbow Village Properties, Inc.
and
Rainbow Foundation Fund, Inc.**

**Combined Audited
Financial Statements
December 31, 2022**



Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

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Independent Auditor's Report

Board of Directors
Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.
St. Louis, Missouri

Opinion

We have audited the accompanying combined financial statements of Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc. which comprise the combined statement of financial position as of December 31, 2022, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc., as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.'s ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
July 27, 2023

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Identification of Lead Auditor

Name: Gregory L. Nowling, CPA
Title: Shareholder
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Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Combined Statement of Financial Position December 31, 2022

	Assets		
	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Current Assets			
Cash	\$ 1,016,306	\$ -	\$ 1,016,306
Accounts receivable - related entities	655,126	-	655,126
Other receivables	46,113	-	46,113
Prepaid expenses	55,081	-	55,081
Total current assets	1,772,626	-	1,772,626
Investments, Fair Market Value	-	4,833,493	4,833,493
Property and Equipment			
Land	1,894,706	-	1,894,706
Buildings	12,855,693	-	12,855,693
Furniture and equipment	306,376	-	306,376
Vehicles	127,495	-	127,495
Total property and equipment	15,184,270	-	15,184,270
Less accumulated depreciation	(5,591,213)	-	(5,591,213)
Net property and equipment	9,593,057	-	9,593,057
Other Assets			
Tenant security deposits held in trust	36,685	-	36,685
Total other assets	36,685	-	36,685
Total Assets	\$ 11,402,368	\$ 4,833,493	\$ 16,235,861

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Combined Statement of Financial Position (Continued) December 31, 2022

Liabilities and Net Assets

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Current Liabilities			
Accounts payable	\$ 81,870	\$ -	\$ 81,870
Prepaid rent	220,041	-	220,041
Line of credit	75,270	-	75,270
Current maturities of long-term debt	226,544	-	226,544
Total current liabilities	603,725	-	603,725
Tenant Security Deposits	35,001	-	35,001
Long-Term Debt	1,363,031	-	1,363,031
Total Liabilities	2,001,757	-	2,001,757
Net Assets			
With Donor Restrictions	-	1,667,012	1,667,012
Without Donor Restrictions:			
Net investment in property and equipment	8,003,482	-	8,003,482
Other without donor restrictions	1,397,129	3,166,481	4,563,610
Total Net Assets	9,400,611	4,833,493	14,234,104
Total Liabilities and Net Assets	\$ 11,402,368	\$ 4,833,493	\$ 16,235,861

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Combined Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2022

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Changes in Net Assets			
Revenue			
Rental income	\$ 1,256,250	\$ -	\$ 1,256,250
Interest and dividends	66	192,219	192,285
Other rental, pool and gym fees	51,304	-	51,304
Management fees	32,676	-	32,676
Other revenue	1,545	-	1,545
Gain (loss) on investments	-	(627,037)	(627,037)
	<u>1,341,841</u>	<u>(434,818)</u>	<u>907,023</u>
Public Support			
Special events (net of direct expenses of \$91,483)	161,285	-	161,285
Grants	310,587	-	310,587
Contributions	233,114	-	233,114
	<u>704,986</u>	<u>-</u>	<u>704,986</u>
Total revenue and public support	<u>2,046,827</u>	<u>(434,818)</u>	<u>1,612,009</u>
Expenses			
Administrative and general	1,010,673	15,458	1,026,131
Utilities	84,380	-	84,380
Operating and maintenance	268,030	-	268,030
Taxes, insurance and benefits	247,072	-	247,072
Interest	43,257	-	43,257
Depreciation	329,580	-	329,580
Total expenses	<u>1,982,992</u>	<u>15,458</u>	<u>1,998,450</u>
Change in Net Assets	63,835	(450,276)	(386,441)
Prior Period Adjustment	29,779	-	29,779
Interfund Transfers	279,200	(279,200)	-
Net Assets, Beginning of Year	<u>9,027,797</u>	<u>5,562,969</u>	<u>14,590,766</u>
Net Assets, End of Year	<u>\$ 9,400,611</u>	<u>\$ 4,833,493</u>	<u>\$ 14,234,104</u>

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Statement of Functional Expenses – Rainbow Village Properties, Inc. For the Year Ended December 31, 2022

	<u>Fundraising and Development</u>	<u>Administrative</u>	<u>General Operations</u>	<u>Total</u>
Salaries and benefits	\$ 212,591	\$ 255,471	\$ 356,294	\$ 824,356
Marketing	11,713	-	-	11,713
Office expenses	8,928	28,765	33,163	70,856
Telephone & internet	-	-	11,456	11,456
Accounting	-	-	10,100	10,100
Other expenses	10,876	21,089	50,227	82,192
Utilities	-	-	84,380	84,380
Operating and maintenance	-	-	268,030	268,030
Taxes, insurance and benefits	-	-	247,072	247,072
Interest	-	-	43,257	43,257
Depreciation	-	-	329,580	329,580
	<u>\$ 244,108</u>	<u>\$ 305,325</u>	<u>\$ 1,433,559</u>	<u>\$ 1,982,992</u>

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Combined Statement of Cash Flows For the Year Ended December 31, 2022

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Cash Flows From Operating Activities			
Cash received from rentals	\$ 1,397,728	\$ -	\$ 1,397,728
Investment income	66	294,658	294,724
Contributions	233,114	-	233,114
Grants	310,587	-	310,587
Other income	29,461	-	29,461
Special events	161,285	-	161,285
Expenses	(1,800,167)	(15,458)	(1,815,625)
Net change in cash from operating activities	332,074	279,200	611,274
Cash Flows From Investing Activities			
Purchase of property and equipment	(455,144)	-	(455,144)
Change in other receivables	(94,123)	-	(94,123)
Net change in cash from investing activities	(549,267)	-	(549,267)
Cash Flows From Financing Activities			
Intercompany transfers	279,200	(279,200)	-
Principal payments on line of credit	(15,000)	-	(15,000)
Principal payments on mortgage notes payable	(199,521)	-	(199,521)
Net change in cash from financing activities	64,679	(279,200)	(214,521)
Net Change in Cash and Restricted Cash	(152,514)	-	(152,514)
Cash and Restricted Cash, Beginning of Year	1,205,505	-	1,205,505
Cash and Restricted Cash, End of Year	\$ 1,052,991	\$ -	\$ 1,052,991

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Combined Statement of Cash Flows (Continued) For the Year Ended December 31, 2022

	<u>Rainbow Village Properties, Inc.</u>	<u>Rainbow Foundation Fund, Inc.</u>	<u>Total</u>
Reconciliation of Cash Flows From Operating Activities			
Change in net assets	\$ 63,835	\$ (450,276)	\$ (386,441)
Adjustments to reconcile change in net assets to net change in cash from operating activities			
Depreciation	329,580	-	329,580
(Increase) decrease in other receivables	(4,760)		(4,760)
(Increase) decrease in investments	-	729,476	729,476
(Increase) decrease in prepaid insurance	(28,896)	-	(28,896)
Increase (decrease) in accounts payable	(115,209)	-	(115,209)
Increase (decrease) in prepaid revenue	90,174	-	90,174
Increase (decrease) in tenant security deposits	(2,650)	-	(2,650)
	<u>\$ 332,074</u>	<u>\$ 279,200</u>	<u>\$ 611,274</u>
Net change in cash from operating activities			
	<u>\$ 332,074</u>	<u>\$ 279,200</u>	<u>\$ 611,274</u>
Supplemental Disclosures of Cash Flow Information			
Cash paid during the year for interest	<u>\$ 43,257</u>	<u>\$ -</u>	<u>\$ 43,257</u>

See accompanying notes to combined financial statements.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Notes to Combined Financial Statements

Note 1 – Summary of Significant Accounting Policies

Organization

Rainbow Village Properties, Inc. is a not-for-profit corporation that provides and maintains facilities in St. Louis and St. Charles County, Missouri to coordinate and develop community housing for persons with developmental disabilities.

To accomplish Rainbow Village Properties, Inc.'s objective, the Board of Directors established Rainbow Foundation Fund, Inc., a not-for-profit corporation. These two entities, combined, are collectively referred to as the "Organization":

- Rainbow Village Properties, Inc. operates various complexes including a learning and recreational facility presently being leased to St. Louis ARC and residential complexes which house residents with developmental disabilities. In addition, Rainbow Village Properties, Inc. serves as a common paymaster and provides various administrative services on behalf of various real estate projects.
- Rainbow Village Foundation Fund, Inc. maintains investments for Rainbow Village Properties, Inc. The income from these investments helps defray expenses of the respective fund.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net Asset Classification

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of the Organization that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those stipulations, or net assets that must be held in perpetuity.

As of December 31, 2022, \$1,667,012 of Rainbow Foundation net assets are considered net assets with donor restrictions. All remaining assets of the Organization are considered net assets without donor restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Related Transactions

The combined financial statements include the activities of Rainbow Village Properties, Inc. as well as the activities of Rainbow Village Foundation Fund, Inc. All significant related transactions between the Rainbow Village Properties, Inc. and Rainbow Village Foundations Fund, Inc. have been eliminated.

Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair market values at the date of donation. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and solicitation.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Financial Instruments

In January of 2016 FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01) Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities. This update, which is effective for fiscal years beginning after December 25, 2018, amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. One of the main provisions of the update requires equity securities to be measured at fair value with changes in the fair value recognized through net income rather than other comprehensive income.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Investments of the Organization are held in marketable equity securities. Pursuant to ASU 2016-01, changes in investment value are presented on the combined statement of activities.

Cash and Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. As of December 31, 2022, cash consists of operating checking accounts. As of December 31, 2022, there were no cash equivalents.

Statement of Cash Flows – Restricted Cash

In November 2016, FASB issued Accounting Standards Update No. 2016-18 (ASU 2016-18) which amends the presentation of amounts generally described as restricted cash on the statement of cash flows. These restricted amounts are now required to be included with cash when reconciling the beginning and end of year total amounts. The amendments in ASU 2016-18 do not provide a definition of restricted cash. However, management has determined all restricted deposits and tenant deposits held in trust are considered restricted cash, based upon restrictions of use of funds imposed by the board.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total of the same amounts shown in the statements of cash flows.

Cash – operations	\$ 1,016,306
Tenant deposits held in trust	<u>36,685</u>
	<u>\$ 1,052,991</u>

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method of depreciation. Depreciation is computed over the estimated useful lives of each individual asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized as income or loss for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is recognized in the financial statements. It is exempt from income taxes under the provisions of Section 501(a) of the Code.

In the event the Organization was to lose its tax-exempt status, income tax expense for the tax reporting entity would include federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. No such differences existed as of December 31, 2022.

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

The Organization adopted the standard for *Accounting for Uncertainty in Income Taxes*. The entity recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. Federal and state tax authorities (if applicable) generally have the right to examine and audit the previous three years of tax returns filed.

Accounting for the Impairment or Disposal of Long-Lived Assets

Accounting for the Impairment or Disposal of Long-Lived Assets requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Accounting for the Impairment or Disposal of Long-Lived Assets has not materially affected the Organization's reported earnings, financial condition or cash flows.

Revenue and Cost Recognition

Revenues are recognized when earned and costs are expensed when incurred.

Risks and Uncertainties

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property is located or by changes in federal low-income housing subsidies or the demand for such housing.

Note 2 – Investments

The Organization classifies marketable securities as “held to maturity” if it has the positive intent and ability to hold the securities to maturity. All other marketable securities are classified as “available for sale”. As of December 31, 2022, all of the Organization's securities are classified as “available for sale.” Securities classified as “available for sale” are carried on the financial statements at fair market value. Realized gains and losses are included in earnings; unrealized holding gains and losses are reported as a separate component of the statement of changes in net assets.

The Statement of Financial Accounting Standard, “*Fair Value Measurements*”, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

The Organization holds an investment portfolio which consists of Level 1 financial instruments. Investments classified as Level 1 all have publicly traded daily values which may be obtained.

Note 3 – Long-Term Debt

Long-term debt as of December 31, 2022, consists of the following:

Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender until September 30, 2022. Loan is secured by residential property and matures September 30, 2040.	\$350,037
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender until September 30, 2022. Loan is secured by residential property and matures September 30, 2040.	34,730
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender until September 30, 2022. Loan is secured by residential property and matures September 30, 2040.	65,323
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender until September 30, 2022. Loan is secured by residential property and matures September 30, 2040.	70,912

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$273.73 at a rate of 3.50% annually. Loan is secured by residential property and matures December 28, 2022.	11,775
Mortgage note payable to Carrollton Bank in monthly installments of \$428.38 at a rate of 4.50% annually. Loan is secured by residential property and matures June 24, 2025.	5,017
Mortgage note payable to Carrollton Bank in monthly installments of \$493.05 at a rate of 4.50% annually. Loan is secured by residential property and matures December 2, 2025.	11,290
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$551.00 at a rate of 3.50% annually. Loan is secured by residential property and matures July 1, 2026.	19,204
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$578.18 at a rate of 3.50% annually. Loan is secured by residential property and matures October 1, 2026.	22,386
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$271.66 at a rate of 3.50% annually. Loan is secured by residential property and matures November 2, 2022.	14,475
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$329.97 at a rate of 3.50% annually. Loan is secured by residential property and matures November 7, 2027.	17,841
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$460.00 at a rate of 3.50% annually. Loan is secured by residential property and matures July 1, 2026.	8,755
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$286.98 at a rate of 3.50% annually. Loan is secured by residential property and matures March 21, 2028.	12,188
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$567.01 at a rate of 3.375% annually. Loan is secured by residential property and matures April 30, 2029.	38,749
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$415.93 at a rate of 3.00% annually. Loan is secured by residential property and matures August 31, 2028.	25,979
Mortgage note payable to Central Bank of St Louis in monthly	

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

installments of \$457.52 at a rate of 3.50% annually. Loan is secured by residential property and matures January 31, 2030.	34,400
Mortgage note payable to Central Bank of St Louis in monthly installments of \$263.43 at a rate of 3.50% annually. Loan is secured by residential property and matures January 31, 2030.	19,807
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$215.46 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	15,153
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$430.91 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	30,306
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$272.91 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	19,194
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$287.27 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	20,204
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$154.41 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	10,860
Mortgage note payable to Central Bank of St Louis in monthly installments of \$368.51 at a rate of 3.125% annually. Loan is secured by residential property and matures January 1, 2031.	31,551
Mortgage note payable to Central Bank of St Louis in monthly installments of \$313.47 at a rate of 3.125% annually. Loan is secured by residential property and matures November 1, 2030.	26,352
Mortgage note payable to Central Bank of St Louis in monthly installments of \$334.37 at a rate of 3.125% annually. Loan is secured by residential property and matures October 1, 2030.	27,848
Mortgage note payable to Central Bank of St Louis in monthly installments of \$557.29 at a rate of 3.125% annually. Loan is secured by residential property and matures October 1, 2030.	46,413
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$314.71 at a rate of 3.125% annually. Loan is secured by residential property and matures September 10, 2030.	25,920

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$384.07 at a rate of 3.375% annually. Loan is secured by residential property and matures July 10, 2030.	30,743
Mortgage note payable to Central Bank of St Louis in monthly installments of \$529.01 at a rate of 3.50% annually. Loan is secured by residential property and matures May 1, 2030.	41,415
Mortgage note payable to Reliance Bank in monthly installments of \$335.43 at a rate of 3.125% annually. Loan is secured by residential property and matures February 10, 2031.	28,926
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$346.36 at a rate of 3.00% annually. Loan is secured by residential property and matures May 2, 2031.	30,827
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$450.26 at a rate of 3.00% annually. Loan is secured by residential property and matures May 11, 2031.	40,073
Mortgage note payable to Reliance Bank in monthly installments of \$311.82 at a rate of 3.00% annually. Loan is secured by residential property and matures July 10, 2031.	28,231
Mortgage note payable to Reliance Bank in monthly installments of \$346.47 at a rate of 3.00% annually. Loan is secured by residential property and matures July 10, 2031.	31,368
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$623.77 at a rate of 3.00% annually. Loan is secured by residential property and matures August 10, 2031.	56,959
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$304.77 at a rate of 3.00% annually. Loan is secured by residential property and matures October 14, 2031.	28,298
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$501.02 at a rate of 3.25% annually. Loan is secured by residential property and matures January 10, 2032.	47,138
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$173.18 at a rate of 3.00% annually. Loan is secured by residential property and matures April 28, 2032.	16,864
Mortgage note payable to Central Bank of St. Louis in monthly	

Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

installments of \$377.74 at a rate of 3.00% annually. Loan is secured by residential property and matures June 8, 2032.	37,350
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$243.18 at a rate of 3.26% annually. Loan is secured by residential property and matures July 10, 2032.	23,976
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$243.48 at a rate of 3.25% annually. Loan is secured by residential property and matures July 10, 2032.	24,006
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$488.49 at a rate of 3.50% annually. Loan is secured by residential property and matures March 8, 2033.	50,210
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$184.47 at a rate of 3.99% annually. Loan is secured by residential property and matures April 10, 2033.	18,769
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$368.56 at a rate of 3.875% annually. Loan is secured by residential property and matures May 10, 2033.	<u>37,753</u>
Total	1,589,575
Less current maturities of long-term debt	<u>(226,544)</u>
Total Long-Term Debt	<u>\$ 1,363,031</u>

Estimated future maturities of long-term debt as of December 31 are as follows:

2023	\$ 226,544
2024	234,360
2025	242,445
2026	250,810
2027	259,464
Thereafter	<u>375,952</u>
	<u>\$ 1,589,575</u>

Note 4 – Related Party Transactions

The Organization pays certain administrative and operating expenses on behalf of Rainbow Village Inc., Rainbow Village II, Inc. and Rainbow Village III, Inc. and is reimbursed for these expenses. As of December 31, 2022, the following was owed to the Organization:

Rainbow Village, Inc.	\$ 177,819
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Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

Rainbow Village II, Inc.	374,904
Rainbow Village III Inc.	<u>102,403</u>
	<u>\$ 655,126</u>

Note 5 – Concentrations of Credit Risks

The Organization may at times maintain cash balances in financial institutions in excess of the federally insured limits of \$250,000. Organization management monitors the financial ratings of such financial institutions and believes the risk of loss is minimal.

Note 6 – Liquidity

The Organization's main funding sources is tenant rental and grant income. There are no other significant sources of funding. Liquid assets include cash. There are no board designations regarding these assets.

The following represents financial assets available for cash needs for general expenditures within one year:

Cash	<u>\$ 1,016,306</u>
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Note 7 – Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through July 27, 2023, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Note 8- Prior Period Adjustment

A prior period adjustment was made during the year ended December 31, 2022 to adjust the due to/from balance which was written off during the prior year but related to a timing difference. The net effect of the adjustment was to increase equity by \$29,779.