

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

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**Combined Audited  
Financial Statements  
December 31, 2020**



**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

### Report on the Financial Statements

We have audited the accompanying combined financial statements of Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc., which comprise of the combined statement of financial position as of December 31, 2020, 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.

### Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the combined financial statements 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 management's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
September 21, 2021

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

**Identification of Lead Auditor**

Name: Gregory L. Nowling, CPA  
Title: Shareholder  
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10475 Crosspoint Boulevard, Suite 200  
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# Rainbow Village Properties, Inc. and Rainbow Foundation Fund, Inc.

## Combined Statement of Financial Position December 31, 2020

	<b>Assets</b>		
	<b>Rainbow Village Properties, Inc.</b>	<b>Rainbow Foundation Fund, Inc.</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Current Assets</b>			
Cash	\$ 316,790	\$ -	\$ 316,790
Accounts receivable - related entities	420,853	-	420,853
Other receivables	69,144	-	69,144
Prepaid expenses	26,071	-	26,071
	<u>832,858</u>	<u>-</u>	<u>832,858</u>
<b>Total current assets</b>			
	<u>832,858</u>	<u>-</u>	<u>832,858</u>
<b>Investments, Fair Market Value</b>	-	4,846,269	4,846,269
	<u>-</u>	<u>4,846,269</u>	<u>4,846,269</u>
<b>Property and Equipment</b>			
Land	1,907,406	-	1,907,406
Buildings	12,182,670	-	12,182,670
Furniture and equipment	306,376	-	306,376
Vehicles	127,495	-	127,495
	<u>14,523,947</u>	<u>-</u>	<u>14,523,947</u>
<b>Total property and equipment</b>			
	<u>14,523,947</u>	<u>-</u>	<u>14,523,947</u>
Less accumulated depreciation	(4,956,101)	-	(4,956,101)
	<u>(4,956,101)</u>	<u>-</u>	<u>(4,956,101)</u>
<b>Net property and equipment</b>			
	<u>9,567,846</u>	<u>-</u>	<u>9,567,846</u>
<b>Other Assets</b>			
Tenant security deposits held in trust	42,048	-	42,048
	<u>42,048</u>	<u>-</u>	<u>42,048</u>
<b>Total other assets</b>			
	<u>42,048</u>	<u>-</u>	<u>42,048</u>
<b>Total Assets</b>			
	<u>\$ 10,442,752</u>	<u>\$ 4,846,269</u>	<u>\$ 15,289,021</u>

See accompanying notes to combined financial statements.

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

### Combined Statement of Financial Position (Continued) December 31, 2020

#### Liabilities and Net Assets

	<u>Rainbow Village Properties, Inc.</u>	<u>Rainbow Foundation Fund, Inc.</u>	<u>Total</u>
<b>Current Liabilities</b>			
Accounts payable	\$ 81,340	\$ -	\$ 81,340
Prepaid rent	15,748	-	15,748
Line of credit	52,372	-	52,372
PPP loan	230,513	-	230,513
Current maturities of long-term debt	210,741	-	210,741
	<u>590,714</u>	<u>-</u>	<u>590,714</u>
<b>Tenant Security Deposits</b>	<u>40,501</u>	<u>-</u>	<u>40,501</u>
<b>Long-Term Debt</b>	<u>1,813,217</u>	<u>-</u>	<u>1,813,217</u>
<b>Total Liabilities</b>	<u>2,444,432</u>	<u>-</u>	<u>2,444,432</u>
<b>Net Assets</b>			
With Donor Restrictions	-	1,752,392	1,752,392
Without Donor Restrictions:			
Net investment in property and equipment	7,543,888	-	7,543,888
Other without donor restrictions	454,432	3,093,877	3,548,309
	<u>7,998,320</u>	<u>4,846,269</u>	<u>12,844,589</u>
<b>Total Net Assets</b>	<u>7,998,320</u>	<u>4,846,269</u>	<u>12,844,589</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 10,442,752</u>	<u>\$ 4,846,269</u>	<u>\$ 15,289,021</u>

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, 2020

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
<b>Changes in Net Assets</b>			
Revenue			
Rental income	\$ 1,272,946	\$ -	\$ 1,272,946
Interest and dividends	27	91,134	91,161
Other rental, pool and gym fees	34,672	-	34,672
Management fees	39,412	-	39,412
Other revenue	2,391	-	2,391
Gain (loss) on sale of properties	113,221	-	113,221
Gain (loss) on investments	-	303,708	303,708
	<u>1,462,669</u>	<u>394,842</u>	<u>1,857,511</u>
Public Support			
Special events (net of direct expenses of \$95,854)	186,776	-	186,776
Grants	242,910	-	242,910
Contributions	168,153	-	168,153
	<u>597,839</u>	<u>-</u>	<u>597,839</u>
Total revenue and public support	<u>2,060,508</u>	<u>394,842</u>	<u>2,455,350</u>
<b>Expenses</b>			
Administrative and general	1,065,815	13,623	1,079,438
Utilities	71,338	-	71,338
Operating and maintenance	254,707	-	254,707
Taxes, insurance and benefits	237,270	-	237,270
Interest	62,918	-	62,918
Depreciation	311,259	-	311,259
Total expenses	<u>2,003,307</u>	<u>13,623</u>	<u>2,016,930</u>
<b>Change in Net Assets</b>	57,201	381,219	438,420
<b>Interfund Transfers</b>	107,250	(107,250)	-
<b>Net Assets, Beginning of Year</b>	<u>7,833,869</u>	<u>4,572,300</u>	<u>12,406,169</u>
<b>Net Assets, End of Year</b>	<u>\$ 7,998,320</u>	<u>\$ 4,846,269</u>	<u>\$ 12,844,589</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, 2020**

	<u>Fundraising and Development</u>	<u>Administrative</u>	<u>General Operations</u>	<u>Total</u>
Salaries and benefits	\$ 214,984	\$ 240,782	\$ 404,170	\$ 859,936
Marketing	21,533	-	3,143	24,676
Office expenses	16,245	37,855	15,390	69,490
Telephone & internet	-	-	11,509	11,509
Accounting	-	-	10,500	10,500
Other expenses	3,933	12,678	73,093	89,704
Utilities	-	-	71,338	71,338
Operating and maintenance	-	-	254,707	254,707
Taxes, insurance and benefits	-	-	237,270	237,270
Interest	-	-	62,918	62,918
Depreciation	-	-	311,259	311,259
	<u>\$ 256,695</u>	<u>\$ 291,315</u>	<u>\$ 1,455,297</u>	<u>\$ 2,003,307</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, 2020

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
<b>Cash Flows From Operating Activities</b>			
Cash received from rentals	\$ 1,319,265	\$ -	\$ 1,319,265
Investment income	27	120,873	120,900
Contributions	168,153	-	168,153
Grants	226,135	-	226,135
Other income	41,803	-	41,803
Special events	186,776	-	186,776
Expenses	(1,676,372)	(13,623)	(1,689,995)
Net change in cash from operating activities	265,787	107,250	373,037
<b>Cash Flows From Investing Activities</b>			
Purchase of property and equipment	(119,144)	-	(119,144)
Change in other receivables	(174,133)	-	(174,133)
Sale of property and equipment	226,078	-	226,078
Net change in cash from investing activities	(67,199)	-	(67,199)
<b>Cash Flows From Financing Activities</b>			
Intercompany transfers	107,250	(107,250)	-
Proceeds from PPP loan	230,513	-	230,513
Principal payments on line of credit	(112,490)	-	(112,490)
Principal payments on mortgage notes payable	(229,500)	-	(229,500)
Net change in cash from financing activities	(4,227)	(107,250)	(111,477)
<b>Net Change in Cash and Restricted Cash</b>	194,361	-	194,361
<b>Cash and Restricted Cash, Beginning of Year</b>	164,477	-	164,477
<b>Cash and Restricted Cash, End of Year</b>	\$ 358,838	\$ -	\$ 358,838

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, 2020

	<b>Rainbow Village Properties, Inc.</b>	<b>Rainbow Foundation Fund, Inc.</b>	<b>Total</b>
<b>Reconciliation of Cash Flows From Operating Activities</b>			
Change in net assets	\$ 57,201	\$ 381,219	\$ 438,420
Adjustments to reconcile change in net assets to net change in cash from operating activities			
Depreciation	311,259	-	311,259
Gain (loss) on sale of property and equipment	(113,221)	-	(113,221)
(Increase) decrease in other receivables	(18,918)		(18,918)
(Increase) decrease in investments	-	(273,969)	(273,969)
(Increase) decrease in prepaid insurance	(13,050)	-	(13,050)
Increase (decrease) in accounts payable	31,205	-	31,205
Increase (decrease) in prepaid revenue	11,811	-	11,811
Increase (decrease) in tenant security deposits	(500)	-	(500)
	<u>\$ 265,787</u>	<u>\$ 107,250</u>	<u>\$ 373,037</u>
Net change in cash from operating activities			
	<u>\$ 265,787</u>	<u>\$ 107,250</u>	<u>\$ 373,037</u>
<b>Supplemental Disclosures of Cash Flow Information</b>			
Cash paid during the year for interest	<u>\$ 62,918</u>	<u>\$ -</u>	<u>\$ 62,918</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.

*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

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

the Organization pursuant to those stipulations, or net assets that must be held in perpetuity.

As of December 31, 2020, \$1,752,392 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.

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.

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

### **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, 2020, cash consists of operating checking accounts. As of December 31, 2020, 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	\$ 316,790
Tenant deposits held in trust	<u>42,048</u>
	<u>\$ 358,838</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, 2020.

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

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

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, 2020, 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:

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.

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

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, 2020, consists of the following:

Mortgage note payable to Central Bank of St. Louis in monthly installments of \$395.54 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	\$ 8,787
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$377.74 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	8,392
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$500.36 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	11,582
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$438.06 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	9,732
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$290.72 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	6,459
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$414.33 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	9,204



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

Mortgage note payable to Central Bank of St. Louis in monthly installments of \$349.07 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	7,754
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$209.64 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	4,657
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$307.04 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	6,821
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$421.25 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	9,358
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender until September 30, 2021. Loan is secured by residential property and matures September 30, 2039.	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, 2021. Loan is secured by residential property and matures September 30, 2039.	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, 2021. Loan is secured by residential property and matures September 30, 2039.	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, 2021. Loan is secured by residential property and matures September 30, 2039.	70,912
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$543.38 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	12,070
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$492.95 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	10,950

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

Mortgage note payable to Central Bank of St. Louis in monthly installments of \$486.52 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	10,807
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$488.00 at a rate of 3.50% annually. Loan is secured by residential property and matures July 1, 2023.	5,009
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.	17,302
Mortgage note payable to Carrollton Bank in monthly installments of \$290.76 at a rate of 4.50% annually. Loan is secured by residential property and matures April 1, 2024.	6,658
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.	14,389
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.	21,596
Mortgage note payable to Carrollton Bank in monthly installments of \$543.47 at a rate of 4.50% annually. Loan is secured by residential property and matures November 27, 2022.	11,949
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.	30,637
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.	34,231
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.	19,786
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.	24,254

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

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.	18,811
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.	17,993
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.	49,365
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.	34,145
Mortgage note payable to Central Bank of St Louis in monthly installments of \$457.52 at a rate of 3.50% annually. Loan is secured by residential property and matures January 31, 2030.	42,668
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.	24,567
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.	19,943
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.	39,885
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.	25,261
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.	26,590
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.	14,292

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

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.	38,205
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.	32,042
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.	33,932
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.	56,553
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.	31,640
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$142.24 at a rate of 3.375% annually. Loan is secured by residential property and matures July 31, 2030.	13,929
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.	37,610
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.	50,864
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.	34,946
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.	37,064
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.	48,183

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

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.	33,821
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.	37,579
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.	68,108
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.	33,717
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.	55,757
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.	19,898
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$377.74 at a rate of 3.00% annually. Loan is secured by residential property and matures June 8, 2032.	43,933
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.	28,091
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.	28,124
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.	58,076
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.	21,582

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

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>43,398</u>
Total	2,023,958
Less current maturities of long-term debt	<u>( 210,741)</u>
Total Long-Term Debt	<u>\$ 1,813,217</u>

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

2021	\$ 210,741
2022	218,012
2023	225,533
2024	233,314
2025	241,363
Thereafter	<u>894,995</u>
	<u>\$ 2,023,958</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, 2020, the following was owed to the Organization:

Rainbow Village, Inc.	\$ 112,148
Rainbow Village II, Inc.	238,356
Rainbow Village III Inc.	<u>70,349</u>
	<u>\$ 420,853</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.

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

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

Cash	<u>\$ 316,790</u>
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### **Note 7 – Short-Term Debt and Debt Forgiveness Income**

Under the CARES Act of 2020, the management agent applied for, and has received Paycheck Protection Program funds. Of the total amount of funds received, the management agent has allocated \$230,513 of those funds to the Organization. Under the CARES Act, these funds are initially repayable within 24-months from the end of the “Covered Period”, as defined, and at an annual percentage rate of 1.0%. However, if the management agent meets the criteria established under the CARES Act, all, or a portion thereof, will be forgiven upon approval from both the lending institution and the Small Business Administration. As of December 31, 2020, the management agent has not received approval for debt forgiveness from both the lending institution and the Small Business Administration. The management agent does expect approval for debt forgiveness from both the lending institution and the Small Business Administration within the next 12-months. Therefore, the amount of funds received are classified as short-term liability. Once the management agent receives notification of forgiveness from both parties, the amount of the funds received will be reclassified from a short-term liability to income.

### **Note 8 – 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 September 21, 2021, 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.