

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

**Combined Audited
Financial Statements
December 31, 2018**



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

Index

Independent Auditor’s Report.....1

Identification of Lead Auditor.....3

Combined Financial Statements

 Combined Statement of Financial Position.....4

 Combined Statement of Activities and Changes in Net Assets6

 Combined Statement of Functional Expenses7

 Combined Statement of Cash Flows.....8

 Notes to Combined Financial Statements10

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, 2018, 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, 2018, 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
July 3, 2019

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

Identification of Lead Auditor

Name: Gregory L. Nowling, CPA
Title: Partner
Telephone: (317) 841-3393
Address: c/o Comer, Nowling And Associates, P.C.
8606 Allisonville Road Suite 120
Indianapolis, IN 46250

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

Combined Statement of Financial Position December 31, 2018

	Assets		
	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Current Assets			
Cash	\$ 179,627	\$ -	\$ 179,627
Accounts receivable - related entities	185,617	-	185,617
Other receivables	106,831	-	106,831
Prepaid expenses	24,521	-	24,521
Total current assets	<u>496,596</u>	<u>-</u>	<u>496,596</u>
Investments, Fair Market Value	<u>-</u>	<u>3,930,092</u>	<u>3,930,092</u>
Property and Equipment			
Land	1,928,606	-	1,928,606
Buildings	11,901,813	-	11,901,813
Furniture and equipment	306,376	-	306,376
Vehicles	127,495	-	127,495
Total property and equipment	14,264,290	-	14,264,290
Less accumulated depreciation	(4,375,796)	-	(4,375,796)
Net property and equipment	<u>9,888,494</u>	<u>-</u>	<u>9,888,494</u>
Other Assets			
Tenant security deposits held in trust	43,968	-	43,968
Total other assets	<u>43,968</u>	<u>-</u>	<u>43,968</u>
Total Assets	<u>\$ 10,429,058</u>	<u>\$ 3,930,092</u>	<u>\$ 14,359,150</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, 2018

Liabilities and Net Assets

	<u>Rainbow Village Properties, Inc.</u>	<u>Rainbow Foundation Fund, Inc.</u>	<u>Total</u>
Current Liabilities			
Accounts payable	\$ 130,576	\$ -	\$ 130,576
Prepaid rent	5,000	-	5,000
Line of credit	110,862	-	110,862
Car loan	31,949	-	31,949
Current maturities of long-term debt	<u>222,135</u>	<u>-</u>	<u>222,135</u>
Total current liabilities	<u>500,522</u>	<u>-</u>	<u>500,522</u>
Tenant Security Deposits	<u>43,951</u>	<u>-</u>	<u>43,951</u>
Long-Term Debt	<u>2,256,483</u>	<u>-</u>	<u>2,256,483</u>
Total Liabilities	<u>2,800,956</u>	<u>-</u>	<u>2,800,956</u>
Net Assets			
With Donor Restrictions	-	1,522,487	1,522,487
Without Donor Restrictions:			
Net investment in property and equipment	7,409,876	-	7,409,876
Other without donor restrictions	<u>218,226</u>	<u>2,407,605</u>	<u>2,625,831</u>
Total Net Assets	<u>7,628,102</u>	<u>3,930,092</u>	<u>11,558,194</u>
Total Liabilities and Net Assets	<u>\$ 10,429,058</u>	<u>\$ 3,930,092</u>	<u>\$ 14,359,150</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, 2018

	<u>Rainbow Village Properties, Inc.</u>	<u>Rainbow Foundation Fund, Inc.</u>	<u>Total</u>
Changes in Unrestricted Net Assets			
Revenues and Gains (Losses)			
Revenue			
Rental income	\$ 1,238,014	\$ -	\$ 1,238,014
Investment income	103	163,159	163,262
Other rental, pool and gym fees	54,274	-	54,274
Management fees	17,937	-	17,937
Other revenue	15,535	-	15,535
Net realized gain (loss) on investments	-	233,427	233,427
	<u>1,325,863</u>	<u>396,586</u>	<u>1,722,449</u>
Public Support			
Special events (net of direct expenses of \$89,000)	221,424	-	221,424
Grants	572,993	-	572,993
Contributions	111,440	-	111,440
	<u>905,857</u>	<u>-</u>	<u>905,857</u>
Total revenue and public support	2,231,720	<u>396,586</u>	<u>2,628,306</u>
Expenses			
Administrative and general	910,873	14,657	925,530
Utilities	81,239	-	81,239
Operating and maintenance	304,181	-	304,181
Taxes, insurance and benefits	218,423	-	218,423
Interest	77,477	-	77,477
Depreciation	294,202	-	294,202
Total expenses	<u>1,886,395</u>	<u>14,657</u>	<u>1,901,052</u>
Change in Net Assets	345,325	381,929	727,254
Unrealized Gain (Loss) on Investments	-	(738,320)	(738,320)
Interfund Transfers	457,402	(457,402)	-
Net Assets, Beginning of Year	<u>6,825,375</u>	<u>4,743,885</u>	<u>11,569,260</u>
Net Assets, End of Year	<u>\$ 7,628,102</u>	<u>\$ 3,930,092</u>	<u>\$ 11,558,194</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, 2018

	<u>Fundraising and Development</u>	<u>Administrative</u>	<u>General Operations</u>	<u>Total</u>
Salaries and benefits	\$ -	\$ 394,272	\$ 379,339	\$ 773,611
Marketing	6,304	-	-	6,304
Office expenses	-	-	46,470	46,470
Telephone & internet	-	-	18,212	18,212
Accounting	-	-	8,680	8,680
Other expenses	19,128	-	38,468	57,596
Utilities	-	-	81,239	81,239
Operating and maintenance	-	-	304,181	304,181
Taxes, insurance and benefits	-	-	218,423	218,423
Interest	-	-	77,477	77,477
Depreciation	-	-	294,202	294,202
	<u>\$ 25,432</u>	<u>\$ 394,272</u>	<u>\$ 1,466,691</u>	<u>\$ 1,886,395</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, 2018

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Cash Flows From Operating Activities			
Cash received from rentals	\$ 1,206,722	\$ -	\$ 1,206,722
Investment income	103	472,059	472,162
Contributions	111,440	-	111,440
Grants	572,993	-	572,993
Other income	33,472	-	33,472
Special events	221,424	-	221,424
Expenses	(1,527,673)	(14,657)	(1,542,330)
Net change in cash from operating activities	618,481	457,402	1,075,883
Cash Flows From Investing Activities			
Purchase of property and equipment	(993,120)	-	(993,120)
Other receivables	(45,281)	-	(45,281)
Net change in cash from investing activities	(1,038,401)	-	(1,038,401)
Cash Flows From Financing Activities			
Intercompany transfers	457,402	(457,402)	-
Proceeds from line of credit	200,000	-	200,000
Proceeds from mortgage notes payable	143,000	-	143,000
Proceeds from car loan	31,949	-	31,949
Principal payments on line of credit	(213,000)	-	(213,000)
Principal payments on mortgage notes payable	(215,096)	-	(215,096)
Net change in cash from financing activities	404,255	(457,402)	(53,147)
Net Change in Cash	(15,665)	-	(15,665)
Cash, Beginning of Year	195,292	-	195,292
Cash, End of Year	\$ 179,627	\$ -	\$ 179,627

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, 2018

	Rainbow Village Properties, Inc.	Rainbow Foundation Fund, Inc.	Total
Reconciliation of Cash Flows From Operating Activities			
Change in net assets	\$ 345,325	\$ 381,929	\$ 727,254
Adjustments to reconcile change in net assets to net change in cash from operating activities			
Depreciation	294,202	-	294,202
Net unrealized gain (loss) on investments	-	(738,320)	(738,320)
(Increase) decrease in other receivables	(90,566)		(90,566)
(Increase) decrease in investments	-	813,793	813,793
Increase (decrease) in accounts payable	61,943	-	61,943
(Increase) decrease in prepaid insurance	(5,716)	-	(5,716)
Increase (decrease) in prepaid revenue	5,000	-	5,000
Increase (decrease) in tenant security deposits	8,293	-	8,293
 Net change in cash from operating activities	 \$ 618,481	 \$ 457,402	 \$ 1,075,883
Supplemental Disclosures of Cash Flow Information			
Cash paid during the year for:			
Interest	\$ 77,477	\$ -	\$ 77,477

See accompanying notes to combined financial statements.

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

Notes to Combined Financial Statements December 31, 2018

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, 2018, \$1,522,487 of Rainbow Foundation net assets are considered net assets with donor restrictions. All remaining assets of the Organization are considered to be 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

The carrying amounts of cash, cash equivalents, accounts receivable, and accounts payable reported in the Statement of Financial Position approximate fair values due to the short-term maturities of those instruments.

The fair value of investments is based on quoted market value prices for those investments.

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, 2018, cash consists of operating checking accounts. As of December 31, 2018, there were no cash equivalents.

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

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, 2018.

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.

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

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, 2018, 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.

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, 2018, consists of the following:

Mortgage note payable to Central Bank of St. Louis in monthly

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

installments of \$395.54 at a rate of 3.50% annually. Loan is secured by residential property and matures March 2, 2024.	\$ 17,349
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.	16,569
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.	22,382
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.	19,214
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.	12,752
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.	18,173
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.	15,310
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.	9,195
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.	13,467
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.	18,477
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender. Loan is secured by residential property and matures October 1, 2037.	350,037
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender. Loan is secured by residential property and matures October 1, 2037.	34,730

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

Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender. Loan is secured by residential property and matures October 1, 2037.	65,323
Mortgage note payable to Productive Living Board at a rate of 0% annually. Payments have been temporarily suspended by the lender. Loan is secured by residential property and matures October 1, 2037.	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.	23,833
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.	21,621
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.	21,339
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$708.00 at a rate of 3.50% annually. Loan is secured by residential property and matures August 1, 2020.	9,231
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$865.00 at a rate of 3.50% annually. Loan is secured by residential property and matures September 22, 2020.	11,754
Mortgage note payable to Central Bank of St. Louis in monthly installments of \$694.00 at a rate of 3.50% annually. Loan is secured by residential property and matures October 25, 2020.	9,253
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.	15,967
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.	22,449
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.	12,734
Mortgage note payable to Carrollton Bank in monthly installments of \$428.38 at a rate of 4.50% annually. Loan is secured by residential	

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

property and matures June 24, 2025.	22,942
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.	31,002
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.	23,350
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.	41,286
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.	45,262
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.	24,738
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.	30,226
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.	28,189
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.	23,400
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.	59,288
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.	41,836
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.	50,377

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

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.	29,006
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.	23,434
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.	46,869
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.	29,684
Mortgage note payable to Enterprise Bank and Trust in monthly installments of \$229.82 at a rate of 3.50% annually. Loan is secured by residential property and matures January 10, 2030.	24,997
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.	31,246
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.	16,795
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.	44,456
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.	37,387
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.	39,648
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.	66,080
Mortgage note payable to Montgomery Bank, N.A. in monthly installments of \$314.71 at a rate of 3.125% annually. Loan is secured	

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

by residential property and matures September 10, 2030.	37,006
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.	16,303
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.	44,019
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.	59,675
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.	40,590
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.	42,931
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.	55,810
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.	39,077
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.	43,419
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.	78,594
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.	38,814
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.	63,822

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

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.	22,752
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.	50,129
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.	31,939
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.	31,978
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.	65,404
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.	24,174
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>48,613</u>
Total	2,478,618
Less current maturities of long-term debt	<u>(222,135)</u>
Total Long-Term Debt	<u>\$ 2,256,483</u>

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

<u>Year</u>	<u>Amount</u>
2019	\$ 222,135
2020	229,910
2021	237,957
2022	246,285
2023	254,905
Thereafter	<u>1,287,426</u>
	<u>\$ 2,478,618</u>

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

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, 2018, the following was owed to (from) the Organization:

Rainbow Village, Inc.	(\$ 13,690)
Rainbow Village II, Inc.	163,861
Rainbow Village III Inc.	<u>35,446</u>
	<u>\$ 185,617</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:

	<u>2018</u>
Cash	<u>\$ 179,627</u>

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 3, 2019, 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.