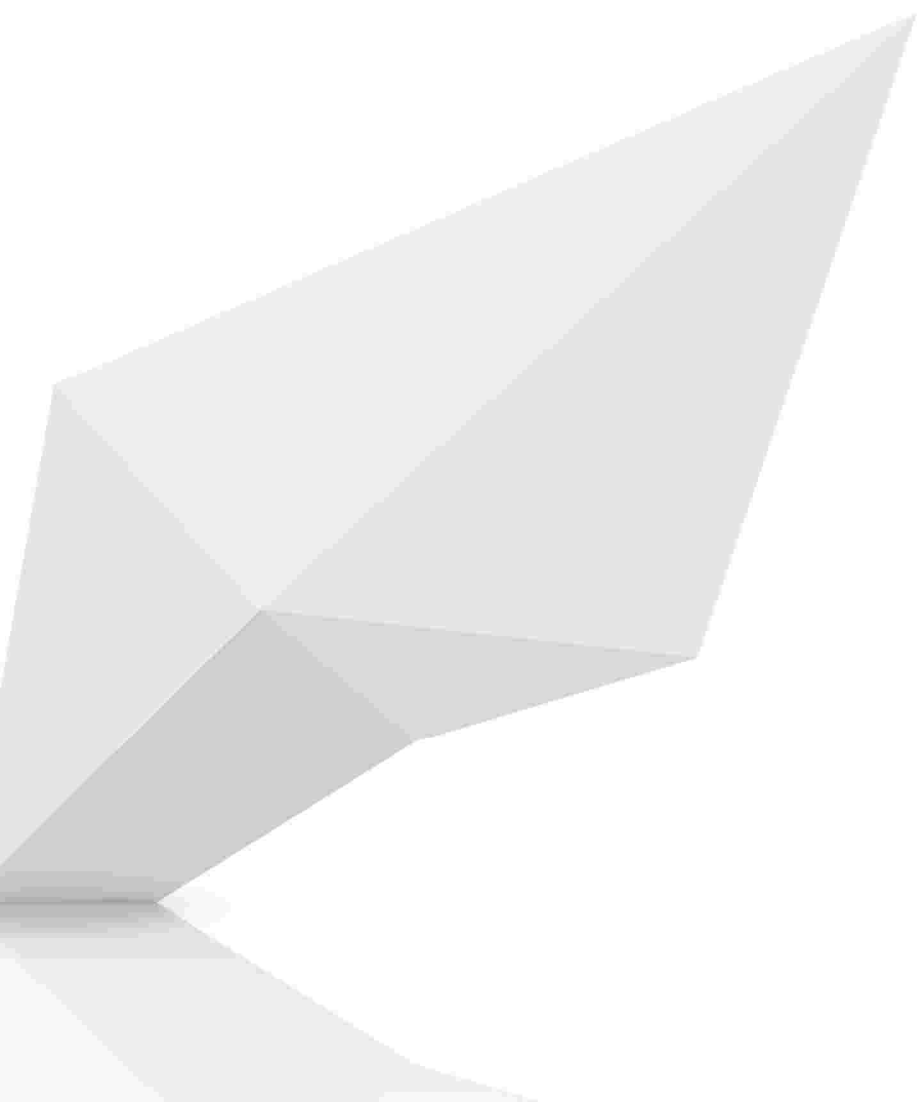


Communities Unlimited, Inc.

Fayetteville, Arkansas

Financial Statements and Supplementary Information

Years Ended September 30, 2023 and 2022



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Communities Unlimited, Inc.

Financial Statements and Supplementary Information Years Ended September 30, 2023 and 2022

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Communities Unlimited, Inc.

Financial Statements and Supplementary Information Years Ended September 30, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Communities Unlimited, Inc.
Fayetteville, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Communities Unlimited, Inc., a nonprofit organization, which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Communities Unlimited, Inc. as of September 30, 2023 and 2022, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Communities Unlimited, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audits. 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 the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities Unlimited, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 GAAS and *Government 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 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Communities Unlimited, 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 financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Communities Unlimited, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 33 to 62, which include the schedule of expenditures of federal awards on pages 58 to 61 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 24, 2024, on our consideration of Communities Unlimited, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Communities Unlimited, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Communities Unlimited, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid.

Wipfli LLP

Madison, Wisconsin

January 24, 2024

Communities Unlimited, Inc.

Statements of Financial Position

September 30, 2023 and 2022

| Assets | 2023 | 2022 |
|--|----------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 19,030,391 | \$ 12,948,241 |
| Short-term investments | 760,000 | 90,717 |
| Accounts receivable | 2,027,651 | 1,425,255 |
| Notes receivable | 2,130,144 | 2,495,671 |
| Prepaid expenses | 96,817 | 31,593 |
| Total current assets | 24,045,003 | 16,991,477 |
| Long-term assets: | | |
| Notes receivable, net of allowance: 2023 - \$1,315,587 | | |
| 2022 - \$1,087,122 | 11,956,092 | 8,790,351 |
| Total long-term assets | 11,956,092 | 8,790,351 |
| Property and equipment: | | |
| Building and land | 1,816,347 | 1,816,347 |
| Furniture and equipment | 133,526 | 133,526 |
| Less accumulated depreciation | (957,967) | (887,898) |
| Total property and equipment | 991,906 | 1,061,975 |
| TOTAL ASSETS | \$ 36,993,001 | \$ 26,843,803 |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$ 498,460 | \$ 508,660 |
| Accounts payable | 265,813 | 190,804 |
| Accrued expenses | 173,556 | 179,780 |
| Refundable advances | 3,175,027 | 3,103,115 |
| Total current liabilities | 4,112,856 | 3,982,359 |
| Long-term debt: | 12,330,644 | 5,484,868 |
| Total liabilities | 16,443,500 | 9,467,227 |
| Net assets: | | |
| Without donor restrictions: | | |
| Undesignated | 19,557,595 | 16,314,601 |
| Board designated: | | |
| Investment in property and equipment | 991,906 | 1,061,975 |
| Total net assets | 20,549,501 | 17,376,576 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 36,993,001 | \$ 26,843,803 |

See accompanying notes to financial statements.

Communities Unlimited, Inc.
Statements of Activities
Years Ended September 30, 2023 and 2022

| Revenues | 2023 | 2022 |
|--|---------------|---------------|
| Grant funds - operating | \$ 11,389,173 | \$ 7,884,161 |
| Grant funds - loan fund equity | 2,321,297 | 1,139,363 |
| Program income | 1,465,238 | 984,130 |
| Interest income | 263,349 | 18,260 |
| Donations | 21,108 | 35,606 |
| Miscellaneous income | 25,235 | 14,213 |
| | <hr/> | <hr/> |
| Total revenues | 15,485,400 | 10,075,733 |
| | <hr/> | <hr/> |
| Expenses | | |
| Program Expenses | | |
| Loan Fund | 1,606,186 | 1,076,699 |
| Environmental Services | 5,321,328 | 4,299,902 |
| Entrepreneurship | 1,453,655 | 1,023,101 |
| Communities | 1,201,785 | 530,847 |
| Housing | 144,375 | 6,070 |
| Special Projects | 287,196 | 400,457 |
| Corporate Division | 419,487 | 239,227 |
| | <hr/> | <hr/> |
| Total program expenses | 10,434,012 | 7,576,303 |
| | <hr/> | <hr/> |
| Management and general expenses | 1,878,463 | 1,541,950 |
| | <hr/> | <hr/> |
| Total expenses | 12,312,475 | 9,118,253 |
| | <hr/> | <hr/> |
| Change in Net Assets | 3,172,925 | 957,480 |
| | <hr/> | <hr/> |
| Net Assets Without Donor Restrictions - Beginning of year | 17,376,576 | 16,419,096 |
| | <hr/> | <hr/> |
| Net Assets Without Donor Restrictions - End of year | \$ 20,549,501 | \$ 17,376,576 |
| | <hr/> <hr/> | <hr/> <hr/> |

Communities Unlimited, Inc.

Statement of Functional Expenses

Year Ended September 30, 2023

| | Loan Fund | Environmental Services | Entrepreneurship | Communities |
|------------------------------------|---------------------|---------------------------|---------------------|---------------------|
| Expenses | | | | |
| Salaries and fringe benefits | \$ 878,595 | \$ 4,041,007 | \$ 1,057,086 | \$ 893,809 |
| Property taxes and licenses | 413 | 4,889 | 373 | 53 |
| Travel | 39,875 | 362,162 | 39,233 | 119,690 |
| Training and professional meetings | 21,309 | 111,310 | 53,170 | 26,734 |
| Professional and other services | 46,647 | 70,725 | 50,646 | 16,251 |
| Insurance | 19,022 | 20,929 | 9,891 | 114 |
| Supplies | 71,514 | 239,138 | 54,020 | 89,266 |
| Printing and publications | 12,642 | 56,271 | 32,694 | 7,241 |
| Communications | 15,271 | 82,704 | 19,478 | 16,859 |
| Office space | 15,088 | 34,767 | 18,408 | 25,192 |
| Equipment maintenance and rental | 1,394 | - | - | - |
| Interest and loan fees | 127,793 | 250,203 | - | - |
| Bad debts | 341,950 | - | - | - |
| Subcontractors | - | 46,614 | 1,208 | 1,220 |
| Subrecipients | 13,230 | - | 107,000 | - |
| Miscellaneous | 1,443 | 609 | 10,448 | 5,356 |
| Depreciation expense | - | - | - | - |
| Total expenses | <u>\$ 1,606,186</u> | <u>\$ 5,321,328</u> | <u>\$ 1,453,655</u> | <u>\$ 1,201,785</u> |

See accompanying notes to financial statements.

| Housing | Special Projects | Corporate Division | Total Program Activities | Management and General | Total |
|-------------------|-----------------------------|-------------------------------|---|-----------------------------------|----------------------|
| \$ 116,353 | \$ 104,072 | \$ 211,655 | \$ 7,302,577 | \$ 1,127,141 | \$ 8,429,718 |
| 373 | 8,640 | 2,785 | 17,526 | 369 | 17,895 |
| 12,036 | 1,876 | 23,761 | 598,633 | 30,004 | 628,637 |
| 3,421 | - | 8,186 | 224,130 | 50,884 | 275,014 |
| 2,475 | 67,594 | 40,690 | 295,028 | 388,169 | 683,197 |
| 803 | 11,187 | 15,619 | 77,565 | 30,185 | 107,750 |
| 5,822 | 23,725 | 9,839 | 493,324 | 130,628 | 623,952 |
| 1,586 | 1,090 | 412 | 111,936 | 56,929 | 168,865 |
| 1,310 | 1,689 | 3,143 | 140,454 | 20,900 | 161,354 |
| - | 8,618 | (4,178) | 97,895 | 35,950 | 133,845 |
| - | 12,389 | - | 13,783 | - | 13,783 |
| - | - | - | 377,996 | - | 377,996 |
| - | - | - | 341,950 | - | 341,950 |
| - | 8,340 | 74,333 | 131,715 | - | 131,715 |
| - | - | (2,642) | 117,588 | - | 117,588 |
| 196 | - | 3,791 | 21,843 | 7,304 | 29,147 |
| - | 37,976 | 32,093 | 70,069 | - | 70,069 |
| <u>\$ 144,375</u> | <u>\$ 287,196</u> | <u>\$ 419,487</u> | <u>\$ 10,434,012</u> | <u>\$ 1,878,463</u> | <u>\$ 12,312,475</u> |

Communities Unlimited, Inc.

Statement of Functional Expenses

Year Ended September 30, 2022

| | Loan Fund | Environmental Services | Entrepreneurship | Communities |
|------------------------------------|---------------------|---------------------------|---------------------|-------------------|
| Expenses | | | | |
| Salaries and fringe benefits | \$ 564,158 | \$ 3,436,203 | \$ 792,476 | \$ 405,074 |
| Property taxes and licenses | - | 5,038 | - | 125 |
| Travel | 19,981 | 235,447 | 8,059 | 46,177 |
| Training and professional meetings | 41,125 | 17,911 | 2,786 | 5,143 |
| Professional and other services | 62,701 | 138,375 | 28,347 | 33,258 |
| Insurance | 8,847 | 22,901 | 6,187 | - |
| Supplies | 38,294 | 169,226 | 14,390 | 14,758 |
| Printing and publications | 11,573 | 43,993 | 22,483 | 4,356 |
| Communications | 11,780 | 79,047 | 15,788 | 9,352 |
| Office space | 15,058 | 43,513 | 15,404 | 3,233 |
| Equipment maintenance and rental | - | - | - | - |
| Interest and loan fees | 106,577 | 107,555 | - | 8,339 |
| Bad debts (recoveries) | 181,191 | - | - | - |
| Subcontractors | 2,268 | - | - | 955 |
| Subrecipients | 12,250 | - | 112,000 | - |
| Miscellaneous | 896 | 693 | 5,181 | 77 |
| Depreciation expense | - | - | - | - |
| Total expenses | <u>\$ 1,076,699</u> | <u>\$ 4,299,902</u> | <u>\$ 1,023,101</u> | <u>\$ 530,847</u> |

See accompanying notes to financial statements.

| Housing | Special Projects | Corporate Division | Total Program Activities | Management and General | Total |
|-----------------|-----------------------------|-------------------------------|---|-----------------------------------|---------------------|
| \$ 786 | \$ 100,833 | \$ 145,319 | \$ 5,444,849 | \$ 918,636 | \$ 6,363,485 |
| - | 7,196 | 3,036 | 15,395 | 836 | 16,231 |
| - | 1,588 | 4,310 | 315,562 | 8,516 | 324,078 |
| - | - | 3,008 | 69,973 | 27,058 | 97,031 |
| 2,004 | 9,954 | 23,816 | 298,455 | 247,072 | 545,527 |
| - | 11,418 | 9,555 | 58,908 | 33,790 | 92,698 |
| 1,271 | 137,713 | 10,983 | 386,635 | 91,512 | 478,147 |
| 4 | 586 | (3,257) | 79,738 | 58,618 | 138,356 |
| 9 | 2,050 | 1,759 | 119,785 | 25,093 | 144,878 |
| - | 12,666 | 2,072 | 91,946 | 126,686 | 218,632 |
| - | 56,187 | - | 56,187 | - | 56,187 |
| - | - | - | 222,471 | - | 222,471 |
| - | - | - | 181,191 | - | 181,191 |
| 1,996 | 8,340 | 1,884 | 15,443 | - | 15,443 |
| - | 13,875 | 4,000 | 142,125 | - | 142,125 |
| - | 75 | 649 | 7,571 | 4,133 | 11,704 |
| - | 37,976 | 32,093 | 70,069 | - | 70,069 |
| <u>\$ 6,070</u> | <u>\$ 400,457</u> | <u>\$ 239,227</u> | <u>\$ 7,576,303</u> | <u>\$ 1,541,950</u> | <u>\$ 9,118,253</u> |

Communities Unlimited, Inc.
Statements of Cash Flows
Years Ended September 30, 2023 and 2022

| | 2023 | 2022 |
|---|-----------------------------|-----------------------------|
| Increase (decrease) in cash and cash equivalents: | | |
| Cash flows from operating activities: | | |
| Change in net assets | \$ 3,172,925 | \$ 957,480 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 70,069 | 70,069 |
| Provision for loan losses | 341,950 | 181,191 |
| Effects of changes in operating assets and liabilities: | | |
| Accounts receivable | (602,396) | (472,236) |
| Prepaid expenses | (65,224) | (11,224) |
| Accounts payable and accrued expenses | 68,785 | (164,587) |
| Refundable advances | 71,912 | 577,279 |
| Net cash provided by operating activities | <u>3,058,021</u> | <u>1,137,972</u> |
| Cash flows from investing activities: | | |
| Originations of loans | (6,423,328) | (5,425,816) |
| Repayments of loans | 3,281,164 | 2,968,048 |
| Purchases of investments | (669,283) | (137) |
| Net cash used in investing activities | <u>(3,811,447)</u> | <u>(2,457,905)</u> |
| Cash flows from financing activities: | | |
| Principal payments on long-term debt | (564,424) | (257,396) |
| Proceeds from issuance of long-term debt | 7,400,000 | 650,000 |
| Net cash provided by financing activities | <u>6,835,576</u> | <u>392,604</u> |
| Changes in cash and cash equivalents | 6,082,150 | (927,329) |
| Cash and cash equivalents - Beginning of year | <u>12,948,241</u> | <u>13,875,570</u> |
| Cash and cash equivalents - End of year | <u><u>\$ 19,030,391</u></u> | <u><u>\$ 12,948,241</u></u> |
| Supplemental schedule of operating activities: | | |
| Interest paid | \$ 86,107 | \$ 71,831 |

See accompanying notes to financial statements.

Communities Unlimited, Inc.

Notes to Financial Statements September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Communities Unlimited, Inc. (CU) connects people and rural communities to solutions.

CU works with people, combining their ingenuity with technology, expertise and capital to unwind generations of inequity and ensure healthy water, healthy food, healthy businesses, healthy communities and healthy lives.

CU's Promise

To partner with people working for a better life in their hometown and connect them to solutions for achieving sustainable prosperity.

CU's Purpose

Talent is distributed equally across the United States. Opportunity clearly is not. Access to opportunities should not depend on where you live, how much money you have in the bank or what you look like. CU works to create greater access to opportunities for individuals living in places of persistent poverty.

CU's Approach

CU takes a holistic approach to community development by combining human connection and ingenuity with technology, expertise and capital to solve problems. CU staff work to blend its services across program areas to meet communities where they are and sustain healthy businesses, healthy communities and healthy lives.

CU's Place

CU serves communities in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee & Texas. This service area includes 45% of our nation's persistent poverty counties, where more than 20% of the population has lived in poverty for over 30 years. 47% of people living in persistently poor rural counties are people of color. And, this area is home to rural innovators, small town entrepreneurs and people with a history of working hard from sunrise to sunset to provide for their families. Here people seek opportunities to break through generations of inequity and disinvestment in order to reach prosperity.

CU's Organization

CU is a 501(c)3 nonprofit corporation founded in 1975, with over 105 staff in seven states and over \$36.5 million in assets. CU was certified by the U.S. Department of Treasury as a Community Development Financial Institution (CDFI) in 2001. As a CDFI, CU expands economic opportunity for small business owners and communities by providing access to capital when traditional financing options are not available.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Nature of Operations (Continued)

CU's Organization (Continued)

CU works collaboratively to build partnerships that complement its services in order to maximize the benefits to their clients. CU is a founding partner of three national collaboratives. In the 1970s, it helped to found the Rural Community Assistance Partnership (RCAP), the oldest national nonprofit serving the nation's small communities with environmental services that support access to safe clean drinking water and other critical cornerstones of healthy communities. As one of six regional RCAP partners, CU works in over 600 rural communities each year, and leverages millions of dollars in funding for essential community facilities and infrastructure. In 2011, CU founded the national WealthWorks network, providing solutions that include a 21st-century approach to economic development that builds from local assets, connects to regional markets, and creates wealth that stays local. In 2018, CU co-founded the Partners for Rural Transformation which works to eliminate persistent poverty through capital investments and capacity building in rural communities across the country.

While CU is focused on capacity building and lending in places where both are needed the most, it also leverages this field experience to inform national research, policy and advocacy work. In 2021 CU launched its own research work which utilizes its program metrics to generate thought leadership in the community economic development field.

Lending

In 1992, CU started making loans to water and wastewater systems in rural areas to ensure that residents had access to clean, healthy drinking water and safe wastewater treatment systems. In 2001 CU was certified as a CDFI. Loans made to Community Environmental Management Systems are used for improvement projects, pre-development financing, purchase of equipment and emergency financing needs.

In 2023, CU closed \$5,461,646 in loans to 20 water and wastewater systems to improve their water and wastewater systems. These loans included \$1,988,019 (36%) loaned in Persistent Poverty Counties. Loans ranged from the small loan needed to meet compliance to larger loans for pre-development work that helped these communities access larger loans and grants. CU made 6 pre-development loans of \$2,615,637, leveraging \$34,983,732 in federal and state funds. These loans impacted 1688 households in Arkansas, Alabama, Texas, and Oklahoma in communities with poverty rates as high as 23.8%. Pre-development loans are the fastest growing segment in CU water and wastewater loan portfolio.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Nature of Operations (Continued)

Lending (Continued)

Small business lending was added in 2010 as small businesses were struggling to recover from the 2008 recession and bank lending tightened. Again, CU works to fill the gap in financing with loans from \$1,000 to \$100,000 to small businesses that do not qualify for traditional financing.

Small business loans can be used for working capital, which is one of the biggest gaps in small business financing. Other uses include purchase or repair of equipment and real estate purchase or improvements. CU offers a variety of small business loan products that are designed to grow as the business grows.

CU's small business lending is focused on filling gaps in rural places and minority populations. In 2023, CU increased loan production by 14%. Forty-one small businesses received \$937,130 in loans, averaging \$22,857. This includes 68% to minority owned businesses, 27% in Persistent Poverty Counties, 56% in rural areas, and 83% to women-owned businesses.

CU revived their Nuestra Casa loan program that was hugely successful in the early 2000s in the South Texas Colonias, re-launching the home improvement program using the Small Dollar Loan Grant in May 2022 with the hiring of a key local Hispanic lender for the Brownsville office. In 2023, CU provided 154 loans, making a direct impact on the residents' living conditions and often increasing their largest asset value. The program also offers credit counseling and financial incentives to pay on time and improve individual credit scores allowing for improved access to traditional financial products. Through CU's credit counseling efforts, payment monitoring and one on one personal assistance, 76% of the renewal customers have seen an increase in their FICO score, with an average increase of 37 points.

Community Environmental Services Program

CU Community Environmental Services works with small population community environmental management systems: community drinking water systems; wastewater systems; and solid waste management systems through on-site technical assistance, training, publications, and financing. With a current staff of over 50 highly trained professional technical assistance providers, CU Community Environmental Services supports efforts to provide access to safe drinking water for everyone and environmentally-responsible waste disposal within an ever-changing regulatory environment in the communities that are provided technical assistance and training.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Community Environmental Services Program (Continued)

Our technical assistance focuses on building local capacity of governing board members, environmental operators, and other system staff so that they will develop and maintain the capability to adequately manage and operate their environmental management systems.

All of CU Community Environmental Services' technical assistance and training is focused on achieving national environmental system Outcomes.

As a regional partner of the national Rural Community Assistance Partnership, (RCAP), CU serves as the Southern RCAP partner in providing environmental technical assistance and training throughout a seven-state region of Alabama, Mississippi, Tennessee, Arkansas, Louisiana, Texas, and Oklahoma. Additionally, CU Community Environmental Services supports other RCAP regional partners in other regions of the country with access to their CDFI community environmental lending.

During fiscal year 2023, CU Community Environmental Services provided onsite assistance to 715 small communities and rural water and wastewater environmental management systems. CU's environmental staff experienced a record year in leveraging over \$174 million in construction financing to improve community water and wastewater systems. CU Environmental Services staff completed 83 training workshops attended by 1,284 community officials, board members, certified operators, and other environmental management system staff members.

CU Environmental Services achieved the following National Environmental Outcomes last year for the following number of communities:

- 58 Communities: Improved Coordination between Communities (Regionalization Strategies);
- 108 Communities: Improved Public Health by achieving compliance with Safe Drinking Water Act rules and regulations;
- 122 Communities: Improved Environmental Health by achieving compliance with Clean Water Act and Pollution Control Act rules and regulations;
- 40 Communities: Improved Capacity of Community Facilities;
- 208 Communities: Achieved Financial Sustainability;
- 182 Communities: Increased Managerial Capacity;
- 16 Communities: Improved Self-Defined Prosperity;
- 42 Communities: Achieved Global Information System Mapping Capabilities

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1

Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Rural Housing Program

Communities Unlimited follows a holistic, community-centered housing approach with a focus on local capacity building, technical assistance, resource development, and housing fund and lending development. During fiscal year 2023, Communities Unlimited was in the early stages of program planning and resource development. CU increased housing staff capacity for the housing program by hiring a housing counselor to provide housing counseling services in the Arkansas Delta and surrounding region. Filling this role will allow the organization to provide pre-purchase homebuyer education, housing counseling, and post-purchase support to individuals and families as they apply for mortgages for home purchases or loans for home rehabilitation. In addition to increased staff capacity, the CU housing program engaged partners in expanding a volumetric modular housing manufacturing system and initiatives to increase homeownership for Black, Indigenous, and other communities of color. CU housing staff have partnered with WE Center, a non-profit housing development and workforce training center, to launch a modular housing manufacturing center in Pine Bluff, AR with plans to manufacture and place homes in the community during the next fiscal year. CU partnered with local organizations in Pine Bluff, Arkansas to identify a pipeline of mortgage-ready home buyers to engage around modular housing manufacturing.

During fiscal year 2023, CU Housing engaged the city of Dumas, AR in a comprehensive housing needs assessment and the development of a local housing task force. Through the housing needs assessment, the CU and the housing task force have engaged community members, employers, and city officials to identify, plan for, and later address the issues caused by the aging housing stock, lack of workforce, affordable housing, and housing infrastructure needs.

Entrepreneurship

During fiscal year 2023, the Entrepreneurship Team assisted 310 clients one-on-one with 123 clients receiving an average of 52 hours of intensive consulting services. The program training events include an additional 34 clients completing LMS courses and 204 attendees to live small business webinars.

In addition to providing its management consulting and training services to small businesses, CU's Entrepreneurship Team focused on: 1) establishing CU's new Arkansas MBDA Business Center; 2) building out additional CU e-Learning Center small business courses that provide foundational learning and supplements CU's one-on-one consulting engagements; and 3) completing the first year of the E-Wealth Health program pilot.

Communities Unlimited, Inc.

Notes to Financial Statements September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Nature of Operations (Continued)

Entrepreneurship (Continued)

The Arkansas MBDA Business Center (led by the Entrepreneurship Team) completed its first year with 90 small business clients. The MBDA is the Minority Business Development Agency, a bureau of The U.S. Department of Commerce. It is the only federal agency solely dedicated to the growth and global competitiveness of minority business enterprises. In an effort to deepen its partnership with SBA, CU's Arkansas MBDA Business Center signed a Strategic Memorandum Alliance (SAM) with the Arkansas SBA District Office. CU has begun working more closely with Arkansas ecosystem partners around assisting minority businesses in identifying and securing contracts.

Launched in August 2022, the E-Wealth Health Initiative (E=Entrepreneur) that is focused on closing the wealth gap through entrepreneurship completed its one-year program pilot. The E-Wealth Health Initiative consists of monthly webinars and one-on-one management consulting sessions. The business owners are taught how to manage their business to profitability and how to grow business retained earnings that are then used strategically toward increasing the owner's personal net worth, establishing retirement accounts, securing capital or other wealth creation strategies. The initial cohorts of business owners were offered Wealth Accelerator payments as an incentive to establishing wealth goals. The outcomes have been amazing! Learn more about the E-Wealth Health Initiative from our staff and from some of its first-year cohort participants:



Community Sustainability

As FY 2023 closed, CU's Community Sustainability team's network of partner communities grew to a cumulative 59 communities and 22 counties who have worked toward developing more vibrant, sustainable economies by leveraging local assets for long-term growth. CU recognizes that for communities to achieve real sustainability the approach must be radically resident driven. Residents drive the process; creating the plans, filling gaps and connecting to existing resources to activate the community's power for change. CU's staff facilitates this process and assists with infrastructure management and improvement, community facility development, small business development and access to financing. The team believes that

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Nature of Operations (Continued)

Community Sustainability (Continued)

people should have the opportunity to thrive where they live, work, play and worship regardless of the location or population of their community.

One of the goals of the Community Sustainability (CS) Team is to bring together a diverse leadership team who are open minded and motivated to initiate change. They provide training to build personal and community capacity that will enable residents to be the problem solvers. As a regional hub they provide WealthWorks training and value chain facilitation along with implementing the principles of Strategic Doing. Assets are recognized through the engagement of community leaders and utilized to build a strategy for economic growth. This strategy directs the long-term execution of work by CS staff side by side in relationship with community.

By deploying their E.D.G.E. Capacity Building model – which involves Enlightening (training), Delivering (technical assistance), Guiding (as community conducts tasks), and Empowering (monitoring the community’s continued success in their execution of tasks) – Community Facilitators purposefully and intentionally go into every community with an exit strategy in mind, realizing that the true benefit of their efforts is building or strengthening the capacity of local governments and non-profits so that when they do complete a project, they are no longer needed to ensure that community facilities, local housing, and/or community and economic development will continue to be sustainable. CU leverages each of its programs and identifies partners to bring the resources needed for implementation of the strategies to create lasting change.

Community Sustainability helps communities:

- Evaluate ordinances and policies that are friendly to small businesses
- Increase the number of local businesses
- Support growth of existing local businesses
- Deliver resources and convene partners who have new resources to deploy
- Provide access to financing
- Evaluate existing community development plans
- Work with GIS mapping program to create sustainable resource maps
- Vision their community thriving
- Develop broadband strategies and connect to resources for deployment

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Community Sustainability (Continued)

They accomplish this through:

- Collaboration with local leadership to provide an assessment of the community's economic opportunities
- Environmental technical assistance resources
- Small business management consulting
- Community facilities resources
- Home improvement lending
- Local, regional, state and federal convening of stakeholders

Healthy Foods

CU's service area includes almost half of the nation's persistent poverty counties, and five of the six states where food insecurity is above the U.S. average. They serve where economic discrimination and disparities in access to resources challenge the sustainability of small towns, small businesses, small farms and families in persistently poor rural places.

Like access to safe clean drinking water, access to enough food and especially Healthy Food is necessary for children, families and communities to thrive.

Food insecurity impacts a child's physical and mental development, impacting their future ability to learn and transfer knowledge into work performance that earn a livable wage and builds wealth for them.

Food insecurity, compounded by the lack of access to healthy food, is an equity issue in our nation. This is clearly evident in the last 10-years of federal and state data, as well as evidenced by CU's decades of data from our boots-on-ground service in these places. Consider this,

- Rural households experienced significant increases in food insecurity in 2022 (14.7%) compared to 2021 (10.8). (USDA ERS with DOC, Census & Food Security Supplements from 2021 & 2022)
- Household with children headed by single women experienced a significant increase in food insecurity in 2022 (18.2%) as compared to 2021 (12.1%). (USDA ERS with DOC, Census & Food Security Supplements from 2021 & 2022)
- The top 10 counties in the nation with the highest child food insecurity in 2021 (> 36% of all children) are all in CU's service area. (Map the Meal Gap 2023)

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1

Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Healthy Foods (Continued)

- The growing rate of food insecurity among aging adults is challenging all communities. Arkansas has the highest rate of food insecurity among adults aged 50-59. (Map the Meal Gap 2023)
- The impacts of structural racism and discrimination, especially in the persistent poverty areas continues to challenge those living in CU's service. (Data from Map the Meal Gap 2023.)
 - Food insecurity among Black/African American individuals is higher than for white individuals in almost every county in the nation. The disparity is as high as 48 percentage points in Cumberland County, TN.
 - Food insecurity for Latino individuals varies by geography and the disparity between people of Latino heritage is as high as 26% in an Arkansas county when compared to individuals that identify as White.
 - For those that identify as White, food insecurity is more concentrated in the rural South with 1-28% of individuals being food insecure. The Appalachian region contains some of the counties with the highest percentage of food insecurity among people that identify as White.

Healthy Foods collaborates in the space of the regional food system, with intentional focus on the most marginalized communities, producers and small businesses. Success in Healthy Foods is based on collaboration and a community-centered approach that respects the needs and voices of all members of a community. It also is based on the understanding that trust must be earned, and it is necessary for technical assistance and resources to result in sustainable capacity development.

CU has been able to provide technical assistance and access to resources that empowered: connections to new market opportunities for farmers; completion of GAP/GHP certification by small-scale underserved farmers; development and/or expansion of local markets; connections between local medical providers and schools to local producers resulting in increased access to fresh produce; and expanded access to resources to meet transportation, aggregation and storage needs in rural high poverty areas and with small-scale underserved farmers.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Nature of Operations (Continued)

Healthy Foods (Continued)

A couple of examples of current collaborations and projects are highlighted below.

- USDA's Farm to School program allows CU to empower schools in communities challenged by poverty and racism to access resources and increase the healthy meals served to K-12 children. Local small-scale minority farmers also benefit from this initiative as they are connected with schools that desire to make local purchases and provided the technical assistance to navigate the timing of school meal planning, contracting, etc.
- CU's Healthy Foods Coordinator serves on the Arkansas Fellowship Steering Committee, Winrock International, to give voice to the opportunities to develop Arkansas regional food systems, connect with minority-women-veteran-other entrepreneurs and producers; and the connection between thriving local economies and access to adequate quantity and quality of food.
- CU Healthy Foods is the Arkansas partner in the USDA Delta Regional Food Business Center, working in collaboration with the Mississippi Delta Council for Farm Workers Opportunities, Inc. (MDC/FWOI) and other regional partners. Through this collaboration, CU will lead the distribution of over \$2M in grant funding in support of regional food system development, food-related business development and sustainable production of locally grown food, ensuring equitable distribution of this funding and inclusive participation in this opportunity.

Revenue Concentrations

For the year ended September 30, 2023, 11% and 9% of total revenue was received from a Training and Technical Assistance grant from the Environmental Protection Agency and a Training and Technical Assistance grant from the U.S. Department of Agriculture.

For the year ended September 30, 2022, 13% and 12% of total revenue was received from a Training and Technical Assistance grant from the U.S. Department of Agriculture and a Community Services Block Grant Discretionary Award from the U.S. Department of Health and Human Services.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1

Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of contribution.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue without donor restrictions. CU does not have net assets with donor restrictions as of September 30, 2023 and 2022.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The fair value measurement of assets and liabilities within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 **Summary of Significant Accounting Policies** (Continued)

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

B. Grant Awards that are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the term of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. CU does not have grants that are considered exchange transactions for the years ended September 30, 2023 and 2022.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Program Income

Program income is recorded as revenue when earned.

Cash Equivalents

CU considers all liquid investments with maturities of three months or less to be cash equivalents. At September 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

Investments

Investments, which consist primarily of certificates of deposit, are valued at cost which approximates fair value.

Accounts and Notes Receivable

Accounts receivable represent amounts due for management consulting, computer technology support and grants and are stated at the amount billed to customers or due from granting agencies. Accounts receivable are ordinarily due upon receipt of the invoice. Accounts past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. An allowance for uncollectible accounts receivable has not been recorded since collection of the outstanding balance is expected.

Notes receivable are stated at their outstanding principal amount, net of allowance for uncollectible notes. CU provides an allowance for uncollectible notes, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Additionally, CU has risk ratings that are reviewed quarterly with any changes reported to the Board of Directors. The loan loss reserves are determined by a combination of the risk rating and funder requirements. As an example, SBA requires a 15% reserve on microloans regardless of risk rating. In addition to the quarterly risk rating reviews, CU reviews each loan annually to ensure adequate reserves. At a minimum, CU requires a reserve for the whole portfolio of 5% of its total outstanding loans.

The largest portfolio is made up of loans to small rural community water/wastewater projects. These loans are automatically reserved at 3% unless the risk analysis identifies the need to increase the reserve. Consumer and mortgage loans make up a smaller part of the portfolio and are generally reserved at a minimum of 10%.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1

Summary of Significant Accounting Policies (Continued)

Accounts and Notes Receivable (Continued)

Loans to small businesses make up a small part of the portfolio and carry higher risk. SBA requires a 15% reserve on loans funded through the microloan program. Other small business loans are reserved based on the risk assessment and generally are reserved at 5%.

Consumer and mortgage loans for new home construction and home improvements are reserved at least 10% based on historical and industry data. CU's allowance for loan losses generally exceeds these minimums. A collective evaluation of loan impairment is conducted by lending staff depending on the circumstances within each of CU's loan portfolios. Larger loans greater than 90 days past due are evaluated annually for loan impairment.

Each loan accrues interest based on the terms of the respective promissory note and loan agreement. Loans are moved to non-accrual when they are referred to an attorney for collections. At September 30, 2023, CU had no loans on non-accrual status. At September 30, 2022, CU had 2 commercial loans with a total principal balance of \$185,725 on non-accrual status. These loans are in various forms of foreclosure and have adequate reserves. Delinquent notes are written off when management determines the remaining balance is uncollectible based on individual credit evaluation, specific circumstances of the borrower and after collecting any repayment from collateral, reserves and/or guarantees. Recoveries, if any, are generally credited against the allowance.

Adoption of New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). ASU 2016-02, along with its related amendments and improvements, is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. CU adopted this guidance for the year ended September 30, 2023. CU has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, CU accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of September 30, 2022) would have met the definition of initial direct costs in ASC Topic 842 at least commencement. Similarly, CU did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement (Continued)

No right-of-use ("ROU") asset or liability was recorded as a result of the adoption of the new lease accounting guidance and there was no impact to CU's operating results, as there were no significant leases that extended beyond one year.

ASC 842 Lease Accounting

For all underlying classes of assets, CU has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that CU is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. CU recognizes short-term lease cost on a straight-line basis over the lease term. Short-term lease expense for the year ended September 30, 2023 was \$86,956.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. CU capitalizes equipment purchased with a cost greater than \$5,000 and a useful life of more than one year.

Property and equipment purchased with grant funds are owned by CU while used in the program for which they were purchased or in other future authorized programs.

However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. Property and equipment purchased with grant funds was fully depreciated as of September 30, 2023 and 2022.

Expense Allocation

Expenditures have been summarized on a functional basis in the statements of activities and functional expenses. Certain costs have been allocated among the programs and supporting services benefited. Programs are allocated management and general expenses based on estimates of time and effort.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Expense Allocation (Continued)

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all CU's programs that cannot be readily identified with a final cost objective. A fixed indirect cost rate has been approved by the U.S. Department of Health and Human Services (DHHS) through September 30, 2025. A fixed rate is not subject to adjustment and accordingly CU could experience indirect cost recovery from grants that is greater or less than actual indirect expenses.

Income Taxes

CU is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provision of state law. However, CU is subject to federal income tax on any taxable unrelated business income. The effects of income taxes have not been disclosed in the financial statements since income tax amounts are immaterial as determined by management.

CU is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. CU has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Subsequent Events

Subsequent events have been evaluated through January 24, 2024, which is the date the financial statements were available to be issued.

Note 2 Concentration of Risk

CU maintains cash balances at various financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes the financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 2 Concentration of Risk

CU has a repurchase agreement with a local financial institution whereby excess cash in its operating account is invested in government-backed securities at the close of the business day and is re-deposited, along with interest earned, in the checking account at the start of the next business day. On September 30, 2023 and 2022, \$11,540,610 and \$9,389,921 of the Organization's cash and cash equivalents, respectively, were invested through this agreement.

Note 3 Notes Receivable and Allowance for Loan Losses

Notes receivable in the Loan Fund Division represent: 1) commercial loans to support water/sewer facilities in rural communities and small business development; and 2) consumer loans including mortgages to help low-income and disadvantaged families purchase and improve their homes. These notes charge interest from 3% to 12% for up to 15 years.

| | <u>2023</u> | <u>2022</u> |
|---------------------------|----------------------|----------------------|
| Mortgage loans | \$ 618,495 | \$ 688,556 |
| Commercial loans | 13,950,934 | 11,279,207 |
| Consumer loans | <u>832,394</u> | <u>405,381</u> |
| Total loans | 15,401,823 | 12,373,144 |
| Allowance for loan losses | <u>(1,315,587)</u> | <u>(1,087,122)</u> |
| Net loans receivable | <u>\$ 14,086,236</u> | <u>\$ 11,286,022</u> |

Classification of notes receivable at September 30 are summarized as follows:

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Current loans receivable | \$ 2,130,144 | \$ 2,495,671 |
| Long-term loans receivable | <u>11,956,092</u> | <u>8,790,351</u> |
| Total loans receivable, net of allowance | <u>\$ 14,086,236</u> | <u>\$ 11,286,022</u> |

The following tables present the balance in the allowance for loan losses based on portfolio segment as of September 30, 2023 and 2022:

| | <u>2023</u> | | | |
|------------------------------|-------------------|---------------------|-------------------|---------------------|
| | <u>Mortgage</u> | <u>Commercial</u> | <u>Consumer</u> | <u>Total</u> |
| Beginning of year | \$ 110,449 | \$ 928,739 | \$ 47,934 | \$ 1,087,122 |
| Provision charged to expense | 8,778 | 259,393 | 73,779 | 341,950 |
| Loans written off | <u>0</u> | <u>(96,871)</u> | <u>(16,614)</u> | <u>(113,485)</u> |
| End of year | <u>\$ 119,227</u> | <u>\$ 1,091,261</u> | <u>\$ 105,099</u> | <u>\$ 1,315,587</u> |

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 3

Notes Receivable and Allowance for Loan Losses (Continued)

| | 2022 | | | |
|------------------------------|-------------------|-------------------|------------------|---------------------|
| | Mortgage | Commercial | Consumer | Total |
| Beginning of year | \$ 87,784 | \$ 839,250 | \$ 2,517 | \$ 929,551 |
| Provision charged to expense | 22,665 | 113,109 | 45,417 | 181,191 |
| Loans written off | 0 | (23,620) | 0 | (23,620) |
| End of year | <u>\$ 110,449</u> | <u>\$ 928,739</u> | <u>\$ 47,934</u> | <u>\$ 1,087,122</u> |

All loans and related allowance are attributable to loans evaluated collectively for impairment.

Internal Risk Categories

The lending staff is responsible for ensuring that loan loss reserves are updated to reflect the current risk profile of each loan in the portfolio. Consideration is given to changes in the market and/or the financial health of borrowers that could materially impact a borrower's ability to meet payment obligations under their loan agreement. Quarterly, the lending staff reviews the risk ratings, and based on this review, may make recommended changes to CU's reserves. This is done to reflect the delinquent payment status of borrowers and/or any changes in the risk profile of the loan portfolio identified by the staffs' quarterly status review.

Equally important is the monitoring of loans. This is an ongoing process that involves the review of payment status, customer calls, occasional site visits, and periodic evaluation of borrower financials. CU's lending team uses the Nortridge Loan Software to track and document monitoring. The lending team also works with technical assistance providers to monitor improvements. This allows CU to identify potential risks and respond quickly helping borrowers avoid or resolve problems.

For all amortizing commercial loans, CU requires that regular monthly loan payments be directly debited from the borrower's account on a scheduled day each month. This is accomplished through the Automated Clearing House (ACH) system of the Federal Reserve Bank. Since implementing this system in 1997, CU has experienced a dramatic decrease in its commercial loan delinquencies to essentially zero. In the rare instances when collection issues do arise, CU's lending and technical assistance staff work together with the borrower to resolve the issue.

In situations where it is necessary to restructure a loan, the focus is on helping the customer be successful. CU strives to work with borrowers and maintain open lines of communication even in stressful situations. Only when all other opportunities for recovery are exhausted, does CU take action to foreclose, repossess collateral, and/or take legal action.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 3 Notes Receivable and Allowance for Loan Losses (Continued)

CU monitors the receipt of payments and tracks delinquencies on a 15-, 30-, and 60-day basis. Progressive intervention accompanies each event including contact with the borrower. If an account becomes more than 60-days delinquent, legal counsel may be sought to assist with the collection, restructuring, or foreclosure of the loan. CU has a written loan statement that details its policies and procedures. In 2023, CU restructured 13 loans for 12 borrowers with an outstanding principal balance of \$172,278. In 2022, CU restructured 10 loans for 9 borrowers with an outstanding principal balance of \$252,929. The loans were restructured by extending maturity based on cash flow and there was no impact on CU's allowance as the loans were already factored in prior allowance calculations.

The following tables present the CU's loan portfolio aging analysis of the recorded investment in loans as of September 30:

| 2023 | | | | | | |
|----------------|------------------------|------------------------|--------------------------|-------------------|----------------------|----------------------|
| | 30-59 Days Past Due | 60-89 Days Past Due | Over 90 Days Past Due | Total Past Due | Current | Total Loans |
| Mortgage loans | \$ 5,243 | \$ 1,741 | \$ 84,646 | \$ 91,630 | \$ 526,865 | \$ 618,495 |
| Commercial | 7,343 | 7,658 | 474,253 | 489,254 | 13,461,680 | 13,950,934 |
| Consumer | 2,097 | 1,556 | 3,044 | 6,697 | 825,697 | 832,394 |
| Total | <u>\$ 14,683</u> | <u>\$ 10,955</u> | <u>\$ 561,943</u> | <u>\$ 587,581</u> | <u>\$ 14,814,242</u> | <u>\$ 15,401,823</u> |

| 2022 | | | | | | |
|----------------|------------------------|------------------------|--------------------------|-------------------|----------------------|----------------------|
| | 30-59 Days Past Due | 60-89 Days Past Due | Over 90 Days Past Due | Total Past Due | Current | Total Loans |
| Mortgage loans | \$ 4,631 | \$ 857 | \$ 70,416 | \$ 75,904 | \$ 612,652 | \$ 688,556 |
| Commercial | 5,151 | 5,091 | 646,838 | 657,080 | 10,622,127 | 11,279,207 |
| Consumer | 79 | 79 | 238 | 396 | 404,985 | 405,381 |
| Total | <u>\$ 9,861</u> | <u>\$ 6,027</u> | <u>\$ 717,492</u> | <u>\$ 733,380</u> | <u>\$ 11,639,764</u> | <u>\$ 12,373,144</u> |

Note 4 Long-term Debt

Notes payable at September 30 consist of the following:

| | 2023 | 2022 |
|---|------------|------------|
| United States Department of Agriculture, Rural Business Cooperative Services; due October 20, 2038 in annual payments of \$42,445, including principal and interest at 1%; secured by CU's notes receivable made through its relending programs and investments. Total outstanding balance is due on demand if certain covenants are not met and no waiver from the lender is obtained. | \$ 588,103 | \$ 624,189 |

Communities Unlimited, Inc.

Notes to Financial Statements September 30, 2023 and 2022

| Note 4 | Long-term Debt (Continued) | 2023 | 2022 |
|--------|---|-----------|-----------|
| | United States Department of Agriculture, Rural Business Cooperative Services; \$351,000 available, due August 21, 2042 in annual payments of \$14,900, including principal and interest at 1%; secured by CU's notes receivable made through its relending programs and investments. Total outstanding balance is due on demand if certain covenants are not met and no waiver from the lender is obtained. | 227,393 | 239,764 |
| | Wells Fargo due March 1, 2024, unsecured, with interest at 2% due quarterly. | 125,000 | 375,000 |
| | United States Department of Agriculture, Rural Business Cooperative Services; \$400,000 available, due August 21, 2042 in annual payments of \$16,980 including principal and interest at 1%; secured by CU's notes receivable made through its relending programs and investments. Total outstanding balance is due on demand if certain covenants are not met and no waiver from the lender is obtained. | 172,157 | 187,162 |
| | Mary Reynolds Babcock Foundation; \$250,000 at 2%, Interest payments due quarterly; due March 31, 2024, unsecured. | 200,000 | 200,000 |
| | SBA 39104; loan issued October 2021 with \$400,000 available, interest at .0%, increasing up to .75% over 24-months depending on the nature of business loans issued. 108 monthly principal and interest payments of up to \$3,704 are required until the loan is paid. Monthly payments are deferred for the first year. Secured by notes receivable. | 366,355 | 400,000 |
| | Winthrop Rockefeller Foundation due December 31, 2030 unsecured, 0.00% interest until January 1, 2023; 0.75% interest beginning January 1, 2023 due quarterly. | 500,000 | 500,000 |
| | Arkansas Community Foundation due June 30, 2026, unsecured, with interest at 1.5% due quarterly. | 1,000,000 | 1,000,000 |
| | Various notes payable to individuals and trusts ranging from \$25,000 to \$150,000 and fixed interest rates from 1.00% to 1.50%. The notes are unsecured with interest only payments required. The due dates of the notes are from September 2026 through February 2030. | 1,890,000 | 1,240,000 |
| | Amarillo Area Foundation due January 31, 2030, unsecured, with interest at 1% due quarterly. | 150,000 | 150,000 |

Communities Unlimited, Inc.

Notes to Financial Statements September 30, 2023 and 2022

| Note 4 | Long-term Debt (Continued) | 2023 | 2022 |
|--------|--|---------------|--------------|
| | The Congregation of the Sisters of Charity of the Incarnate Word, Houston, Texas due February 21, 2023, unsecured, with interest at 1% due annually. | 0 | 150,000 |
| | The Congregation of the Sisters of Charity of the Incarnate Word, Houston, Texas due April 2028, unsecured, with Interest at 1% due annually. | 250,000 | 0 |
| | SBA 97002; loan issued May 2018 with \$300,000 available, interest at .625%, increasing up to 2.625% over 24-months depending on the nature of business loans issued. 108 monthly principal and interest payments of up to \$2,857 are required until the loan is paid. Monthly payments are deferred for the first year. Secured by notes receivable. | 159,833 | 192,886 |
| | SBA 27006; loan issued April 2019 with \$300,000 available, interest at .5% increasing up to 1.25% over 9-months depending on the nature of business loans issued. 108 monthly principal and interest payments of up to \$2,964.18 are required until the loan is paid. Monthly payments are deferred for the first year. Secured by notes receivable. | 200,263 | 233,112 |
| | SBA loan payable in varying monthly installments including interest at 2.375% through December 1, 2022, when the remaining balance was paid in full, secured by notes receivable. | 0 | 1,415 |
| | Opportunity Finance Network due June 2025, unsecured with interest at 3% due annually. | 500,000 | 500,000 |
| | Robert Wood Johnson Foundation due September 2028, unsecured with interest at 1% due quarterly. | 2,500,000 | 0 |
| | Greater Houston Community Foundation due December 9, 2032, unsecured, with interest at 0.75% due annually. | 4,000,000 | 0 |
| | Total notes payable | 12,829,104 | 5,993,528 |
| | Current portion | (498,460) | (508,660) |
| | Long-term notes payable | \$ 12,330,644 | \$ 5,484,868 |

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 4 Long-term Debt (Continued)

Future maturities of long-term debt beyond September 30, 2023, are as follows:

| | |
|----------------------|----------------------|
| 2024 | \$ 498,460 |
| 2025 | 675,049 |
| 2026 | 201,657 |
| 2027 | 628,285 |
| 2028 | 3,331,973 |
| Thereafter | <u>7,493,680</u> |
| Total long-term debt | <u>\$ 12,829,104</u> |

Interest expense for the years ended September 30, 2023 and 2022, was \$105,386 and \$77,262, respectively.

Note 5 Line of Credit

At September 30, 2023 and 2022, CU had a \$1,500,000 line-of-credit financing agreement. Interest is payable monthly at the Wall Street Journal Prime Rate minus .5% (8.00% at September 30, 2023). The line of credit is secured by a general business security agreement and expires April 4, 2024. CU renews the line of credit at maturity. No balance was outstanding on the line of credit at September 30, 2023 and 2022.

Note 6 Retirement Plan

The Organization has a defined contribution plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of CU's contributions to the plan. Pension expense was \$351,878 and \$268,908 for the years ended September 30, 2023 and 2022, respectively.

Note 7 Fair Value Measurements

Money market funds are valued using \$1 as the net asset value (NAV). These funds are registered with the U.S. Securities and Exchange Commission and are required to publish their NAV daily and to transact at that price. This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while CU believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 7 Fair Value Measurements (Continued)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2023 and 2022:

| | 2023 | | | |
|--------------|---|--|---------------------------------------|------|
| | Fair Value Measurements Using | | | |
| | Quoted Prices in Active Markets For Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| | Fair Value (Level 1) | (Level 2) | (Level 3) | |
| Money market | \$ 1,349 | \$ 0 | \$ 1,349 | \$ 0 |

| | 2022 | | | |
|--------------|---|--|---------------------------------------|------|
| | Fair Value Measurements Using | | | |
| | Quoted Prices in Active Markets For Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| | Fair Value (Level 1) | (Level 2) | (Level 3) | |
| Money market | \$ 497,013 | \$ 0 | \$ 497,013 | \$ 0 |

Money market funds are included in cash and cash equivalents in the statements of financial position.

Note 8 Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at September 30:

| | 2023 | 2022 |
|---|---------------|---------------|
| Cash and cash equivalents | \$ 19,030,391 | \$ 12,948,241 |
| Short-term investments | 760,000 | 90,717 |
| Accounts receivable | 2,027,651 | 1,425,255 |
| Total financial assets available | 21,818,042 | 14,464,213 |
| Less: current liabilities, excluding current portion of long-term debt | (3,614,396) | (3,473,699) |
| Net financial assets available for general expenditure | \$ 18,203,646 | \$ 10,990,514 |

Communities Unlimited, Inc.

Notes to Financial Statements

September 30, 2023 and 2022

Note 8 Liquidity and Availability of Financial Resources (Continued)

CU does not have a formal liquidity policy. CU has a line of credit available for cash flow needs up to \$1,500,000 as further described in Note 5.

Note 9 Commitments

In the normal course of business, CU has various commitments outstanding, including commitments to extend credit, which are not reflected in the accompanying statements of financial position. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. These commitments arise from the water and wastewater loans granted by CU in the normal course of business. Commitments for loans approved but not yet funded as of September 30, 2023, totaled approximately \$4,624,858.

At September 30, 2023, CU had commitments under various grants of \$12,489,817. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Supplementary Information

Communities Unlimited, Inc.
Combining Statement of Financial Position
September 30, 2023

Assets

| | Loan Fund | Environmental Services | Entrepreneurship |
|---|-----------------------------|---------------------------|----------------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 14,659,952 | \$ (809,691) | \$ 814,554 |
| Short-term investments | 250,000 | - | - |
| Accounts receivable | 414,776 | 905,630 | 353,227 |
| Notes receivable | 2,130,144 | - | - |
| Prepaid expenses | 7,872 | 5,459 | 1,512 |
| Total current assets | <u>17,462,744</u> | <u>101,398</u> | <u>1,169,293</u> |
| Long-term assets: | | | |
| Notes receivable, net of allowance; \$1,315,587 | <u>11,956,092</u> | <u>-</u> | <u>-</u> |
| Total long-term assets | <u>11,956,092</u> | <u>-</u> | <u>-</u> |
| Property and equipment: | | | |
| Building and land | - | - | - |
| Furniture and equipment | - | - | - |
| Less accumulated depreciation | - | - | - |
| Total property and equipment | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u><u>\$ 29,418,836</u></u> | <u><u>\$ 101,398</u></u> | <u><u>\$ 1,169,293</u></u> |

Liabilities and Net Assets (Deficit)

| | | | |
|--|-----------------------------|--------------------------|----------------------------|
| Current liabilities: | | | |
| Current maturities of long-term debt | \$ 498,460 | \$ - | \$ - |
| Accounts payable | 25,546 | 79,856 | 50,825 |
| Accrued expenses | (8,549) | 217 | - |
| Refundable advances | 1,484,597 | 224,392 | 1,239,187 |
| Total current liabilities | <u>2,000,054</u> | <u>304,465</u> | <u>1,290,012</u> |
| Long-term debt: | <u>12,330,644</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>14,330,698</u> | <u>304,465</u> | <u>1,290,012</u> |
| Without donor restrictions | | | |
| Undesignated | 15,088,138 | (203,067) | (120,719) |
| Investment in property and equipment | - | - | - |
| Total net assets (deficit) | <u>15,088,138</u> | <u>(203,067)</u> | <u>(120,719)</u> |
| Total liabilities and net assets (deficit) | <u><u>\$ 29,418,836</u></u> | <u><u>\$ 101,398</u></u> | <u><u>\$ 1,169,293</u></u> |

See Independent Auditor's Report.

| Communities | Housing | Special Projects | Corporate Division | Total |
|---------------------|-------------------|-------------------------|---------------------------|----------------------|
| \$ (756,495) | \$ 154,483 | \$ (199,054) | \$ 5,166,642 | \$ 19,030,391 |
| - | - | - | 510,000 | 760,000 |
| 250,793 | 19,947 | 8,091 | 75,187 | 2,027,651 |
| - | - | - | - | 2,130,144 |
| - | - | 2,670 | 79,304 | 96,817 |
| <u>(505,702)</u> | <u>174,430</u> | <u>(188,293)</u> | <u>5,831,133</u> | <u>24,045,003</u> |
| - | - | - | - | 11,956,092 |
| - | - | - | - | 11,956,092 |
| - | - | 669,180 | 1,147,167 | 1,816,347 |
| - | - | 6,820 | 126,706 | 133,526 |
| - | - | (252,876) | (705,091) | (957,967) |
| - | - | 423,124 | 568,782 | 991,906 |
| <u>\$ (505,702)</u> | <u>\$ 174,430</u> | <u>\$ 234,831</u> | <u>\$ 6,399,915</u> | <u>\$ 36,993,001</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 498,460 |
| 31,320 | 3,671 | 8,951 | 65,644 | 265,813 |
| - | - | 5,800 | 176,088 | 173,556 |
| 45,640 | 167,052 | 14,159 | - | 3,175,027 |
| <u>76,960</u> | <u>170,723</u> | <u>28,910</u> | <u>241,732</u> | <u>4,112,856</u> |
| - | - | - | - | 12,330,644 |
| <u>76,960</u> | <u>170,723</u> | <u>28,910</u> | <u>241,732</u> | <u>16,443,500</u> |
| (582,662) | 3,707 | (217,203) | 5,589,401 | 19,557,595 |
| - | - | 423,124 | 568,782 | 991,906 |
| <u>(582,662)</u> | <u>3,707</u> | <u>205,921</u> | <u>6,158,183</u> | <u>20,549,501</u> |
| <u>\$ (505,702)</u> | <u>\$ 174,430</u> | <u>\$ 234,831</u> | <u>\$ 6,399,915</u> | <u>\$ 36,993,001</u> |

Communities Unlimited, Inc.

Combining Statement of Activities

Year Ended September 30, 2023

| | Loan Fund | Environmental Services | Entrepreneurship |
|---|----------------------|---------------------------|---------------------|
| Revenues | | | |
| Grant funds - operating | \$ 949,580 | \$ 5,795,022 | \$ 1,542,692 |
| Grant funds - operating match | - | - | 74,612 |
| Grant funds - loan fund equity | 2,321,297 | - | - |
| Program income | 606,177 | 538,709 | 31,364 |
| Interest income | 51,275 | - | - |
| Donations | - | - | - |
| Miscellaneous income | 841 | - | - |
| Total revenues | 3,929,170 | 6,333,731 | 1,648,668 |
| Expenses | | | |
| Salaries and fringe benefits | 878,595 | 4,041,007 | 1,057,086 |
| Property tax and licenses | 413 | 4,889 | 373 |
| Travel | 39,875 | 362,162 | 39,233 |
| Training and professional meetings | 21,309 | 111,310 | 53,170 |
| Professional and other services | 46,647 | 70,725 | 50,646 |
| Insurance | 19,022 | 20,929 | 9,891 |
| Supplies | 71,514 | 239,138 | 54,020 |
| Printing and publications | 12,642 | 56,271 | 32,694 |
| Communications | 15,271 | 82,704 | 19,478 |
| Office space | 15,088 | 34,767 | 18,408 |
| Equipment maintenance and rental | 1,394 | - | - |
| Interest and loan fees | 127,793 | 250,203 | - |
| Bad debts | 341,950 | - | - |
| Subcontractors | - | 46,614 | 1,208 |
| Subrecipients | 13,230 | - | 107,000 |
| Miscellaneous | 1,443 | 609 | 10,448 |
| Indirect expense | 225,890 | 1,038,831 | 271,652 |
| Depreciation expense | - | - | - |
| Total expenses | 1,832,076 | 6,360,159 | 1,725,307 |
| Change In Net Assets (Deficit) Without Donor Restrictions | 2,097,094 | (26,428) | (76,639) |
| Net Assets (Deficit) Without Donor Restrictions, Beginning of year | 13,265,783 | (176,639) | (44,080) |
| Transfers | (274,739) | - | - |
| Net Assets (Deficit) Without Donor Restrictions, End of year | <u>\$ 15,088,138</u> | <u>\$ (203,067)</u> | <u>\$ (120,719)</u> |

See Independent Auditor's Report.

| Communities | Housing | Special Projects | Corporate Division | Total |
|--------------------|----------------|-------------------------|---------------------------|---------------|
| \$ 1,395,224 | \$ 174,291 | \$ 198,643 | \$ 1,333,721 | \$ 11,389,173 |
| - | - | - | (74,612) | - |
| - | - | - | - | 2,321,297 |
| 32,683 | - | 99,705 | 156,600 | 1,465,238 |
| - | - | - | 212,074 | 263,349 |
| 2,500 | - | 150 | 18,458 | 21,108 |
| 3,712 | - | - | 20,682 | 25,235 |
| 1,434,119 | 174,291 | 298,498 | 1,666,923 | 15,485,400 |
| 893,809 | 116,353 | 104,072 | 1,338,796 | 8,429,718 |
| 53 | 373 | 8,640 | 3,154 | 17,895 |
| 119,690 | 12,036 | 1,876 | 53,765 | 628,637 |
| 26,734 | 3,421 | - | 59,070 | 275,014 |
| 16,251 | 2,475 | 67,594 | 428,859 | 683,197 |
| 114 | 803 | 11,187 | 45,804 | 107,750 |
| 89,266 | 5,822 | 23,725 | 140,467 | 623,952 |
| 7,241 | 1,586 | 1,090 | 57,341 | 168,865 |
| 16,859 | 1,310 | 1,689 | 24,043 | 161,354 |
| 25,192 | - | 8,618 | 31,772 | 133,845 |
| - | - | 12,389 | - | 13,783 |
| - | - | - | - | 377,996 |
| - | - | - | - | 341,950 |
| 1,220 | - | 8,340 | 74,333 | 131,715 |
| - | - | - | (2,642) | 117,588 |
| 5,356 | 196 | - | 11,095 | 29,147 |
| 229,801 | 29,916 | 26,757 | (1,822,847) | - |
| - | - | 37,976 | 32,093 | 70,069 |
| 1,431,586 | 174,291 | 313,953 | 475,103 | 12,312,475 |
| 2,533 | - | (15,455) | 1,191,820 | 3,172,925 |
| (585,195) | 3,707 | 221,376 | 4,691,624 | 17,376,576 |
| - | - | - | 274,739 | - |
| \$ (582,662) | \$ 3,707 | \$ 205,921 | \$ 6,158,183 | \$ 20,549,501 |

Communities Unlimited, Inc.

Combining Statement of Cash Flows

Year Ended September 30, 2023

| | Loan Fund | Environmental Services | Entrepreneurship |
|---|-----------------------------|----------------------------|--------------------------|
| Increase (decrease) in cash and cash equivalents: | | | |
| Cash flows from operating activities: | | | |
| Change in net assets | \$ 2,097,094 | \$ (26,428) | \$ (76,639) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | |
| Depreciation | - | - | - |
| Provision for loan losses | 341,950 | - | - |
| Transfers | (274,739) | - | - |
| Effects of changes in operating assets and liabilities: | | | |
| Accounts receivable | (87,494) | (101,379) | (221,475) |
| Prepaid expenses | (1) | - | 1 |
| Accounts payable and accrued expenses | (26,333) | (1,559) | 47,034 |
| Refundable advances | 28,564 | 224,392 | 181,284 |
| Net cash provided by (used in) operating activities | <u>2,079,041</u> | <u>95,026</u> | <u>(69,795)</u> |
| Cash flows from investing activities: | | | |
| Originations of loans | (6,423,328) | - | - |
| Repayments of loans | 3,281,164 | - | - |
| Purchases of investments | (250,000) | - | - |
| Net cash used in investing activities | <u>(3,392,164)</u> | <u>-</u> | <u>-</u> |
| Cash flows from financing activities: | | | |
| Principal payments on long-term debt | (564,424) | - | - |
| Proceeds from issuance of long-term debt | 7,400,000 | - | - |
| Net cash provided by financing activities | <u>6,835,576</u> | <u>-</u> | <u>-</u> |
| Changes in cash and cash equivalents | 5,522,453 | 95,026 | (69,795) |
| Cash and cash equivalents - Beginning of year | <u>9,137,499</u> | <u>(904,717)</u> | <u>884,349</u> |
| Cash and cash equivalents - End of year | <u>\$ 14,659,952</u> | <u>\$ (809,691)</u> | <u>\$ 814,554</u> |

See Independent Auditor's Report.

| Communities | | Housing | | Special Projects | Corporate Division | Total |
|-------------|-----------|---------|----------|---------------------|-----------------------|---------------|
| \$ | 2,533 | \$ | - | \$ (15,455) | \$ 1,191,820 | \$ 3,172,925 |
| | - | | - | 37,976 | 32,093 | 70,069 |
| | - | | - | - | - | 341,950 |
| | - | | - | - | 274,739 | - |
| | (118,777) | | (19,947) | 833 | (54,157) | (602,396) |
| | - | | - | - | (65,224) | (65,224) |
| | 4,562 | | 3,671 | 5,563 | 35,847 | 68,785 |
| | (163,188) | | 24,552 | (118,546) | (105,146) | 71,912 |
| | (274,870) | | 8,276 | (89,629) | 1,309,972 | 3,058,021 |
| | - | | - | - | - | (6,423,328) |
| | - | | - | - | - | 3,281,164 |
| | - | | - | - | (419,283) | (669,283) |
| | - | | - | - | (419,283) | (3,811,447) |
| | - | | - | - | - | (564,424) |
| | - | | - | - | - | 7,400,000 |
| | - | | - | - | - | 6,835,576 |
| | (274,870) | | 8,276 | (89,629) | 890,689 | 6,082,150 |
| | (481,625) | | 146,207 | (109,425) | 4,275,953 | 12,948,241 |
| \$ | (756,495) | \$ | 154,483 | \$ (199,054) | \$ 5,166,642 | \$ 19,030,391 |

Communities Unlimited, Inc.
Loan Fund
Combining Statement of Financial Position
September 30, 2023

| Assets | Administration | SBA TA | Water Lending | Delta IRP | 14 County IRP |
|---|-----------------------|---------------------|--------------------------|-------------------|--------------------------|
| Current assets: | | | | | |
| Cash and cash equivalents | \$ (296,228) | \$ (332,529) | \$ 130,185 | \$ 138,047 | \$ 39,093 |
| Short-term investments | - | - | - | - | - |
| Accounts receivable | 8,358 | 182,034 | - | - | - |
| Notes receivable | - | - | - | 113,172 | 29,458 |
| Prepaid expenses | 7,872 | - | - | - | - |
| Total current assets | <u>(279,998)</u> | <u>(150,495)</u> | <u>130,185</u> | <u>251,219</u> | <u>68,551</u> |
| Long-term assets: | | | | | |
| Notes receivable | - | - | - | 657,826 | 236,386 |
| Allowance for doubtful notes | <u>-</u> | <u>-</u> | <u>-</u> | <u>(204,104)</u> | <u>(7,964)</u> |
| Total long-term assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>453,722</u> | <u>228,422</u> |
| Total assets | <u>\$ (279,998)</u> | <u>\$ (150,495)</u> | <u>\$ 130,185</u> | <u>\$ 704,941</u> | <u>\$ 296,973</u> |
| Liabilities and Net Assets (Deficit) | | | | | |
| Current liabilities: | | | | | |
| Current maturities of long-term debt | \$ - | \$ - | \$ - | \$ 36,560 | \$ 12,623 |
| Accounts payable | 7,230 | 5,233 | - | - | - |
| Accrued expenses | - | - | - | 145 | 449 |
| Refundable advances | 272,259 | - | 15,342 | - | - |
| Total current liabilities | <u>279,489</u> | <u>5,233</u> | <u>15,342</u> | <u>36,705</u> | <u>13,072</u> |
| Long-term debt: | <u>-</u> | <u>-</u> | <u>-</u> | <u>551,543</u> | <u>214,770</u> |
| Total liabilities | <u>279,489</u> | <u>5,233</u> | <u>15,342</u> | <u>588,248</u> | <u>227,842</u> |
| Net assets (deficit): | | | | | |
| Without donor restrictions: | | | | | |
| Undesignated | <u>(559,487)</u> | <u>(155,728)</u> | <u>114,843</u> | <u>116,693</u> | <u>69,131</u> |
| Total net assets (deficit) | <u>(559,487)</u> | <u>(155,728)</u> | <u>114,843</u> | <u>116,693</u> | <u>69,131</u> |
| Total liabilities and net assets (deficit) | <u>\$ (279,998)</u> | <u>\$ (150,495)</u> | <u>\$ 130,185</u> | <u>\$ 704,941</u> | <u>\$ 296,973</u> |

See Independent Auditor's Report.

| Mississippi Delta IRP | | USDA | WoodNext Foundation | CDFI | Wells Fargo | Bank of America | Robert Wood Johnson Predevelopment |
|--------------------------|----------------|---------------------|------------------------|---------------------|-------------------|--------------------|--|
| \$ | 63,445 | \$ 4,643,735 | \$ 3,797,211 | \$ 2,778,339 | \$ (32,927) | \$ 21,039 | \$ 1,386,345 |
| | - | - | 250,000 | - | - | - | - |
| | - | 39,624 | - | 67,900 | - | - | 50,000 |
| | 14,812 | 431,541 | - | 624,939 | 35,562 | 18,365 | 5,283 |
| | - | - | - | - | - | - | - |
| | 78,257 | 5,114,900 | 4,047,211 | 3,471,178 | 2,635 | 39,404 | 1,441,628 |
| | 181,374 | 1,891,593 | - | 5,210,650 | 250,428 | 13,554 | 1,273,783 |
| | (5,861) | (122,501) | - | (463,230) | (8,565) | (957) | (31,497) |
| | 175,513 | 1,769,092 | - | 4,747,420 | 241,863 | 12,597 | 1,242,286 |
| <u>\$</u> | <u>253,770</u> | <u>\$ 6,883,992</u> | <u>\$ 4,047,211</u> | <u>\$ 8,218,598</u> | <u>\$ 244,498</u> | <u>\$ 52,001</u> | <u>\$ 2,683,914</u> |
| | | | | | | | |
| \$ | 12,573 | \$ - | \$ - | \$ - | \$ 125,000 | \$ - | \$ - |
| | - | 60 | - | 60 | - | - | 896 |
| | 354 | 17,587 | 18,658 | - | 527 | - | - |
| | - | - | - | 753,053 | - | - | - |
| | 12,927 | 17,647 | 18,658 | 753,113 | 125,527 | - | 896 |
| | 159,584 | 1,890,000 | 4,000,000 | - | - | - | 2,500,000 |
| | 172,511 | 1,907,647 | 4,018,658 | 753,113 | 125,527 | - | 2,500,896 |
| | 81,259 | 4,976,345 | 28,553 | 7,465,485 | 118,971 | 52,001 | 183,018 |
| | 81,259 | 4,976,345 | 28,553 | 7,465,485 | 118,971 | 52,001 | 183,018 |
| <u>\$</u> | <u>253,770</u> | <u>\$ 6,883,992</u> | <u>\$ 4,047,211</u> | <u>\$ 8,218,598</u> | <u>\$ 244,498</u> | <u>\$ 52,001</u> | <u>\$ 2,683,914</u> |

Communities Unlimited, Inc.
Loan Fund (Continued)
Combining Statement of Financial Position
September 30, 2023

| | Texas Mortgages | Wells Fargo Small Business | Nuestra Casa | DACA | Winthrop Rockefeller Foundation |
|---|----------------------------|---|-------------------------|------------------|--|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ (120,781) | \$ 436,988 | \$ 229,293 | \$ 12,122 | \$ 541,847 |
| Short-term investments | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - |
| Notes receivable | 60,133 | 106,555 | 246,855 | - | 24,398 |
| Prepaid expenses | - | - | - | - | - |
| Total current assets | <u>(60,648)</u> | <u>543,543</u> | <u>476,148</u> | <u>12,122</u> | <u>566,245</u> |
| Long-term assets: | | | | | |
| Notes receivable | 558,362 | 365,522 | 132,177 | - | 68,491 |
| Allowance for doubtful notes | <u>(119,227)</u> | <u>(23,831)</u> | <u>(44,846)</u> | <u>-</u> | <u>(11,795)</u> |
| Total long-term assets | <u>439,135</u> | <u>341,691</u> | <u>87,331</u> | <u>-</u> | <u>56,696</u> |
| Total assets | <u>\$ 378,487</u> | <u>\$ 885,234</u> | <u>\$ 563,479</u> | <u>\$ 12,122</u> | <u>\$ 622,941</u> |
| Liabilities and Net Assets (Deficit) | | | | | |
| Current liabilities: | | | | | |
| Current maturities of long-term debt | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | - | 913 | 5,075 | - |
| Accrued expenses | (48,295) | - | 1,447 | - | - |
| Refundable advances | - | - | - | 5,025 | - |
| Total current liabilities | <u>(48,295)</u> | <u>-</u> | <u>2,360</u> | <u>10,100</u> | <u>-</u> |
| Long-term debt: | <u>-</u> | <u>-</u> | <u>250,000</u> | <u>-</u> | <u>500,000</u> |
| Total liabilities | <u>(48,295)</u> | <u>-</u> | <u>252,360</u> | <u>10,100</u> | <u>500,000</u> |
| Net assets (deficit): | | | | | |
| Without donor restrictions: | | | | | |
| Undesignated | <u>426,782</u> | <u>885,234</u> | <u>311,119</u> | <u>2,022</u> | <u>122,941</u> |
| Total net assets (deficit) | <u>426,782</u> | <u>885,234</u> | <u>311,119</u> | <u>2,022</u> | <u>122,941</u> |
| Total liabilities and net assets (deficit) | <u>\$ 378,487</u> | <u>\$ 885,234</u> | <u>\$ 563,479</u> | <u>\$ 12,122</u> | <u>\$ 622,941</u> |

See Independent Auditor's Report.

| Babcock Foundation | Small Business | TLL Temple Foundation | Arkansas Community Foundation | AR Community Foundation Broadband | SBA | LendTN |
|-------------------------------|---------------------------|--------------------------------------|--|--|-------------------|-------------------|
| \$ 210,081 | \$ 131,135 | \$ 369,190 | \$ 202,908 | \$ 40,000 | \$ 192,813 | \$ (6,306) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 5,996 | 30,241 | 11,388 | 80,598 | - | 179,274 | - |
| - | - | - | - | - | - | - |
| <u>216,077</u> | <u>161,376</u> | <u>380,578</u> | <u>283,506</u> | <u>40,000</u> | <u>372,087</u> | <u>(6,306)</u> |
| 34,084 | 33,088 | 36,289 | 814,777 | - | 398,011 | - |
| <u>(1,979)</u> | <u>(45,656)</u> | <u>(2,356)</u> | <u>(98,710)</u> | <u>-</u> | <u>(31,875)</u> | <u>-</u> |
| <u>32,105</u> | <u>(12,568)</u> | <u>33,933</u> | <u>716,067</u> | <u>-</u> | <u>366,136</u> | <u>-</u> |
| <u>\$ 248,182</u> | <u>\$ 148,808</u> | <u>\$ 414,511</u> | <u>\$ 999,573</u> | <u>\$ 40,000</u> | <u>\$ 738,223</u> | <u>\$ (6,306)</u> |
| \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 111,704 | \$ - |
| - | 2,951 | 1,064 | 110 | - | 1,365 | 111 |
| - | - | - | - | - | 579 | - |
| - | 63,965 | 334,953 | - | 40,000 | - | - |
| <u>200,000</u> | <u>66,916</u> | <u>336,017</u> | <u>110</u> | <u>40,000</u> | <u>113,648</u> | <u>111</u> |
| - | - | - | 1,000,000 | - | 614,747 | - |
| <u>200,000</u> | <u>66,916</u> | <u>336,017</u> | <u>1,000,110</u> | <u>40,000</u> | <u>728,395</u> | <u>111</u> |
| 48,182 | 81,892 | 78,494 | (537) | - | 9,828 | (6,417) |
| <u>48,182</u> | <u>81,892</u> | <u>78,494</u> | <u>(537)</u> | <u>-</u> | <u>9,828</u> | <u>(6,417)</u> |
| <u>\$ 248,182</u> | <u>\$ 148,808</u> | <u>\$ 414,511</u> | <u>\$ 999,573</u> | <u>\$ 40,000</u> | <u>\$ 738,223</u> | <u>\$ (6,306)</u> |

Communities Unlimited, Inc.
Loan Fund (Continued)
Combining Statement of Financial Position
September 30, 2023

| | Household Water Wells | JP Morgan Chase | OFN | Amarillo Area Foundation | Total Loan Fund |
|---|--------------------------|--------------------|-------------|--------------------------------|--------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ (60,750) | \$ 140,127 | \$ (59,988) | \$ 65,518 | \$ 14,659,952 |
| Short-term investments | - | - | - | - | 250,000 |
| Accounts receivable | 66,860 | - | - | - | 414,776 |
| Notes receivable | 25,541 | 17,212 | 39,513 | 29,308 | 2,130,144 |
| Prepaid expenses | - | - | - | - | 7,872 |
| Total current assets | 31,651 | 157,339 | (20,475) | 94,826 | 17,462,744 |
| Long-term assets: | | | | | |
| Notes receivable | 427,821 | 93,016 | 503,706 | 90,741 | 13,271,679 |
| Allowance for doubtful notes | (60,254) | (5,794) | (16,615) | (7,970) | (1,315,587) |
| Total long-term assets | 367,567 | 87,222 | 487,091 | 82,771 | 11,956,092 |
| Total assets | \$ 399,218 | \$ 244,561 | \$ 466,616 | \$ 177,597 | \$ 29,418,836 |
| Liabilities and Net Assets (Deficit) | | | | | |
| Current liabilities: | | | | | |
| Current maturities of long-term debt | \$ - | \$ - | \$ - | \$ - | \$ 498,460 |
| Accounts payable | - | 95 | - | 383 | 25,546 |
| Accrued expenses | - | - | - | - | (8,549) |
| Refundable advances | - | - | - | - | 1,484,597 |
| Total current liabilities | - | 95 | - | 383 | 2,000,054 |
| Long-term debt: | | | | | |
| | - | - | 500,000 | 150,000 | 12,330,644 |
| Total liabilities | - | 95 | 500,000 | 150,383 | 14,330,698 |
| Net assets (deficit): | | | | | |
| Without donor restrictions: | | | | | |
| Undesignated | 399,218 | 244,466 | (33,384) | 27,214 | 15,088,138 |
| Total net assets (deficit) | 399,218 | 244,466 | (33,384) | 27,214 | 15,088,138 |
| Total liabilities and net assets (deficit) | \$ 399,218 | \$ 244,561 | \$ 466,616 | \$ 177,597 | \$ 29,418,836 |

Communities Unlimited, Inc.
Environmental Services
Combining Statement of Financial Position
September 30, 2023

Assets

| | Office of Community Services | Safe Drinking Water | Technitrain | Private Wells | Waste Water |
|---------------------------|---|------------------------------------|--------------------|--------------------------|------------------------|
| Current assets: | | | | | |
| Cash and cash equivalents | \$ (604) | \$ (164,058) | \$ (202,627) | \$ (6,028) | \$ (5,077) |
| Accounts receivable | 13,338 | 181,760 | 220,157 | 7,280 | 5,420 |
| Prepaid expenses | 769 | 392 | 4,298 | - | - |
| Total current assets | 13,503 | 18,094 | 21,828 | 1,252 | 343 |
| Total assets | \$ 13,503 | \$ 18,094 | \$ 21,828 | \$ 1,252 | \$ 343 |

Liabilities and Net Assets (Deficit)

| | | | | | |
|--|-----------|-----------|-----------|----------|--------|
| Current liabilities: | | | | | |
| Accounts payable | \$ 13,286 | \$ 18,094 | \$ 21,828 | \$ 1,252 | \$ 343 |
| Accrued Expenses | 217 | - | - | - | - |
| Refundable advances | - | - | - | - | - |
| Total current liabilities | 13,503 | 18,094 | 21,828 | 1,252 | 343 |
| Net assets (deficit): | | | | | |
| Without donor restrictions: | | | | | |
| Undesignated | - | - | - | - | - |
| Total net assets (deficit) | - | - | - | - | - |
| Total liabilities and net assets (deficit) | \$ 13,503 | \$ 18,094 | \$ 21,828 | \$ 1,252 | \$ 343 |

See Independent Auditor's Report.

| Tribal Governance | Rural Treatment Works | Arkansas Department of Health | Colonias Project | State of Mississippi | NADBank | TX Dept of Agri |
|------------------------------|--------------------------------------|--|-----------------------------|---------------------------------|----------------|----------------------------|
| \$ (9,062) | \$ (8,490) | \$ 25,530 | \$ (90,148) | \$ (13,234) | \$ (100,000) | \$ (46,006) |
| 9,151 | 11,608 | 41,225 | 96,431 | 12,980 | 100,000 | 99,167 |
| - | - | - | - | - | - | - |
| 89 | 3,118 | 66,755 | 6,283 | (254) | - | 53,161 |
| <u>\$ 89</u> | <u>\$ 3,118</u> | <u>\$ 66,755</u> | <u>\$ 6,283</u> | <u>\$ (254)</u> | <u>\$ -</u> | <u>\$ 53,161</u> |
| | | | | | | |
| \$ 89 | \$ 3,118 | \$ 773 | \$ 6,283 | \$ 4 | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 89 | 3,118 | 773 | 6,283 | 4 | - | - |
| | | | | | | |
| - | - | 65,982 | - | (258) | - | 53,161 |
| - | - | 65,982 | - | (258) | - | 53,161 |
| <u>\$ 89</u> | <u>\$ 3,118</u> | <u>\$ 66,755</u> | <u>\$ 6,283</u> | <u>\$ (254)</u> | <u>\$ -</u> | <u>\$ 53,161</u> |

Communities Unlimited, Inc.
Environmental Services (Continued)
Combining Statement of Financial Position
September 30, 2023

Assets

| | RWJF Predevelopment | SERCAP EFC | Texas Regionalization | CF-TAT |
|---------------------------|--------------------------------|-----------------------|----------------------------------|-------------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 13,509 | \$ (53) | \$ 30,142 | \$ (175,863) |
| Accounts receivable | - | 91 | - | 13,360 |
| Prepaid expenses | - | - | - | - |
| Total current assets | <u>13,509</u> | <u>38</u> | <u>30,142</u> | <u>(162,503)</u> |
| Total assets | <u>\$ 13,509</u> | <u>\$ 38</u> | <u>\$ 30,142</u> | <u>\$ (162,503)</u> |

Liabilities and Net Assets (Deficit)

| | | | | |
|--|------------------|--------------|------------------|---------------------|
| Current liabilities: | | | | |
| Accounts payable | \$ - | \$ 38 | \$ 1,308 | \$ 380 |
| Accrued Expenses | - | - | - | - |
| Refundable advances | <u>13,509</u> | <u>-</u> | <u>28,834</u> | <u>-</u> |
| Total current liabilities | <u>13,509</u> | <u>38</u> | <u>30,142</u> | <u>380</u> |
| Net assets (deficit): | | | | |
| Without donor restrictions: | | | | |
| Undesignated | <u>-</u> | <u>-</u> | <u>-</u> | <u>(162,883)</u> |
| Total net assets (deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(162,883)</u> |
| Total liabilities and net assets (deficit) | <u>\$ 13,509</u> | <u>\$ 38</u> | <u>\$ 30,142</u> | <u>\$ (162,503)</u> |

See Independent Auditor's Report.

| RCAP CF-TAT | Lyda Hill | RCAC NAD Bank | Other | Total Environmental Services |
|------------------------|-------------------|--------------------------|---------------------|---|
| \$ (6,648) | \$ 167,518 | \$ (40,993) | \$ (177,499) | \$ (809,691) |
| - | - | 41,783 | 51,879 | 905,630 |
| - | - | - | - | 5,459 |
| (6,648) | 167,518 | 790 | (125,620) | 101,398 |
| <u>\$ (6,648)</u> | <u>\$ 167,518</u> | <u>\$ 790</u> | <u>\$ (125,620)</u> | <u>\$ 101,398</u> |
| \$ - | \$ 469 | \$ 790 | \$ 11,801 | \$ 79,856 |
| - | - | - | - | 217 |
| - | 167,049 | - | 15,000 | 224,392 |
| - | 167,518 | 790 | 26,801 | 304,465 |
| (6,648) | - | - | (152,421) | (203,067) |
| (6,648) | - | - | (152,421) | (203,067) |
| <u>\$ (6,648)</u> | <u>\$ 167,518</u> | <u>\$ 790</u> | <u>\$ (125,620)</u> | <u>\$ 101,398</u> |

Communities Unlimited, Inc.
Entrepreneurship
Combining Statement of Financial Position
September 30, 2023

Assets

| | AR RBDG | RCAP Wells Fargo | Delta Owned | Walton Family Foundation | TX RBDG |
|---------------------------|--------------------|-----------------------------|------------------------|-------------------------------------|-------------------|
| Current assets: | | | | | |
| Cash and cash equivalents | \$ (75,691) | \$ (16,923) | \$ 41,884 | \$ 186,656 | \$ (44,526) |
| Accounts receivable | 16,650 | 16,723 | - | - | 37,968 |
| Prepaid expenses | - | 200 | - | - | - |
| Total current assets | (59,041) | - | 41,884 | 186,656 | (6,558) |
| Total assets | <u>\$ (59,041)</u> | <u>\$ -</u> | <u>\$ 41,884</u> | <u>\$ 186,656</u> | <u>\$ (6,558)</u> |

Liabilities and Net Assets (Deficit)

| | | | | | |
|--|--------------------|-------------|------------------|-------------------|-------------------|
| Current liabilities: | | | | | |
| Accounts payable | \$ 574 | \$ - | \$ - | \$ 4 | \$ 37 |
| Refundable advances | 9,883 | - | 41,884 | 186,652 | - |
| Total current liabilities | 10,457 | - | 41,884 | 186,656 | 37 |
| Net assets (deficit): | | | | | |
| Without donor restrictions: | | | | | |
| Undesignated | (69,498) | - | - | - | (6,595) |
| Total net assets (deficit) | (69,498) | - | - | - | (6,595) |
| Total liabilities and net assets (deficit) | <u>\$ (59,041)</u> | <u>\$ -</u> | <u>\$ 41,884</u> | <u>\$ 186,656</u> | <u>\$ (6,558)</u> |

See Independent Auditor's Report.

| MS RBDG | | SBA Prime | Wells Fargo Ewealth Health | MBDA | Truist | TLL Temple Foundation |
|----------------|---|----------------------|---|--------------|---------------|----------------------------------|
| \$ | 9 | \$ (212,494) | \$ 486,254 | \$ (253,293) | \$ 500,000 | \$ 11,563 |
| | - | 38,727 | - | 230,180 | - | - |
| | - | - | - | - | - | - |
| | 9 | (173,767) | 486,254 | (23,113) | 500,000 | 11,563 |
| \$ | 9 | \$ (173,767) | \$ 486,254 | \$ (23,113) | \$ 500,000 | \$ 11,563 |
| | | | | | | |
| \$ | 9 | \$ 5,709 | \$ 5 | \$ 18,359 | \$ - | \$ 15 |
| | - | - | 486,249 | - | 500,000 | 12,019 |
| | 9 | 5,709 | 486,254 | 18,359 | 500,000 | 12,034 |
| | | | | | | |
| | - | (179,476) | - | (41,472) | - | (471) |
| | - | (179,476) | - | (41,472) | - | (471) |
| | | | | | | |
| \$ | 9 | \$ (173,767) | \$ 486,254 | \$ (23,113) | \$ 500,000 | \$ 11,563 |

Communities Unlimited, Inc.
Entrepreneurship (Continued)
Combining Statement of Financial Position
September 30, 2023

Assets

| | JP Morgan Chase | Kresge | Vibrant Memphis |
|---------------------------|--------------------|-------------|--------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,508 | \$ (10,017) | \$ 119,164 |
| Accounts receivable | - | - | - |
| Prepaid expenses | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 2,508 | (10,017) | 119,164 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 2,508 | \$ (10,017) | \$ 119,164 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Liabilities and Net Assets (Deficit)

| | | | |
|---|-------------|-------------|-------------|
| Current liabilities: | | | |
| Accounts payable | \$ 8 | \$ - | \$ - |
| Refundable advances | 2,500 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 2,508 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net assets (deficit): | | | |
| Without donor restrictions: | | | |
| Undesignated | - | (10,017) | 119,164 |
| | <hr/> | <hr/> | <hr/> |
| Total net assets (deficit) | - | (10,017) | 119,164 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and net assets (deficit) | \$ 2,508 | \$ (10,017) | \$ 119,164 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See Independent Auditor's Report.

| Amarillo Area Foundation | Entrepreneurship Core | Total Entrepreneurship |
|-------------------------------------|----------------------------------|-----------------------------------|
| \$ 22,127 | \$ 57,333 | \$ 814,554 |
| 12,979 | - | 353,227 |
| - | 1,312 | 1,512 |
| 35,106 | 58,645 | 1,169,293 |
| <u>\$ 35,106</u> | <u>\$ 58,645</u> | <u>\$ 1,169,293</u> |

| | | |
|-------|-----------|-----------|
| \$ 36 | \$ 26,069 | \$ 50,825 |
| - | - | 1,239,187 |
| 36 | 26,069 | 1,290,012 |

| | | |
|------------------|------------------|---------------------|
| 35,070 | 32,576 | (120,719) |
| 35,070 | 32,576 | (120,719) |
| <u>\$ 35,106</u> | <u>\$ 58,645</u> | <u>\$ 1,169,293</u> |

Communities Unlimited, Inc.
Communities
Combining Statement of Financial Position
September 30, 2023

Assets

| | TLL Temple | Rural Placemaking | RCDI | Resound |
|---------------------------|-------------------|------------------------------|---------------------|------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 38,513 | \$ (65,644) | \$ (575,412) | \$ 16,110 |
| Accounts receivable | 462 | 61,865 | 124,409 | - |
| Total current assets | 38,975 | (3,779) | (451,003) | 16,110 |
| Total assets | <u>\$ 38,975</u> | <u>\$ (3,779)</u> | <u>\$ (451,003)</u> | <u>\$ 16,110</u> |

Liabilities and Net Assets (Deficit)

| | | | | |
|--|------------------|-------------------|---------------------|------------------|
| Current liabilities: | | | | |
| Accounts payable | \$ 16,953 | \$ 6,150 | \$ 4,555 | \$ 1 |
| Accrued expenses | - | (13) | 2 | - |
| Refundable advances | 22,022 | - | - | - |
| Total current liabilities | 38,975 | 6,137 | 4,557 | 1 |
| Net assets (deficit): | | | | |
| Without donor restrictions: | | | | |
| Undesignated | - | (9,916) | (455,560) | 16,109 |
| Total net assets (deficit) | - | (9,916) | (455,560) | 16,109 |
| Total liabilities and net assets (deficit) | <u>\$ 38,975</u> | <u>\$ (3,779)</u> | <u>\$ (451,003)</u> | <u>\$ 16,110</u> |

See Independent Auditor's Report.

| Solid Waste | Amarillo Area Foundation | Communities Core | Total Communities |
|------------------------|-------------------------------------|-----------------------------|------------------------------|
| \$ (1,114) | \$ (50,233) | \$ (118,715) | \$ (756,495) |
| 1,127 | 62,169 | 761 | 250,793 |
| 13 | 11,936 | (117,954) | (505,702) |
| <u>\$ 13</u> | <u>\$ 11,936</u> | <u>\$ (117,954)</u> | <u>\$ (505,702)</u> |
| | | | |
| \$ 2 | \$ 54 | \$ 3,605 | \$ 31,320 |
| 11 | - | - | - |
| - | - | 23,618 | 45,640 |
| 13 | 54 | 27,223 | 76,960 |
| | | | |
| - | 11,882 | (145,177) | (582,662) |
| - | 11,882 | (145,177) | (582,662) |
| <u>\$ 13</u> | <u>\$ 11,936</u> | <u>\$ (117,954)</u> | <u>\$ (505,702)</u> |

Communities Unlimited, Inc.
Housing
Combining Statement of Financial Position
September 30, 2023

Assets

| | PRT-USDA Dumas | Enterprise Section 4 HUD | MiCasita | Total Housing |
|---------------------------|---------------------------|-------------------------------------|-------------------|----------------------|
| Current Assets: | | | | |
| Cash and cash equivalents | \$ (13,449) | \$ (3,976) | \$ 171,908 | \$ 154,483 |
| Accounts receivable | 14,241 | 5,706 | - | 19,947 |
| Total current assets | 792 | 1,730 | 171,908 | 174,430 |
| Total assets | <u>\$ 792</u> | <u>\$ 1,730</u> | <u>\$ 171,908</u> | <u>\$ 174,430</u> |

Liabilities and Net Assets

| | | | | |
|----------------------------------|---------------|-----------------|-------------------|-------------------|
| Current Liabilities: | | | | |
| Accounts payable | \$ 792 | \$ 1,730 | \$ 1,149 | \$ 3,671 |
| Refundable advances | - | - | 167,052 | 167,052 |
| Total current liabilities | 792 | 1,730 | 168,201 | 170,723 |
| Net Assets: | | | | |
| Without donor restrictions: | | | | |
| Undesignated | - | - | 3,707 | 3,707 |
| Total net assets | - | - | 3,707 | 3,707 |
| Total liabilities and net assets | <u>\$ 792</u> | <u>\$ 1,730</u> | <u>\$ 171,908</u> | <u>\$ 174,430</u> |

See Independent Auditor's Report.

Communities Unlimited, Inc.
Special Projects
Combining Statement of Financial Position
September 30, 2023

Assets

| | Lakewood Mobile Home Park | Farm to School | AR Dept of Education |
|-------------------------------------|--|---------------------------|---------------------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ (85,267) | \$ (14,398) | \$ (27,499) |
| Accounts receivable | - | 8,091 | - |
| Prepaid expenses | 2,670 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | (82,597) | (6,307) | (27,499) |
| | <hr/> | <hr/> | <hr/> |
| Property and Equipment: | | | |
| Building and land | 669,180 | - | - |
| Furniture and equipment | 6,820 | - | - |
| Less accumulated depreciation | (252,876) | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total property, plant and equipment | 423,124 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 340,527</u> | <u>\$ (6,307)</u> | <u>\$ (27,499)</u> |

Liabilities and Net Assets (Deficit)

Current liabilities:

| | | | |
|---------------------------|--------|----------|-------|
| Accounts payable | \$ 565 | \$ 5,343 | \$ - |
| Accrued expenses | 5,800 | - | - |
| Refundable advances | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 6,365 | 5,343 | - |
| | <hr/> | <hr/> | <hr/> |

Net assets (deficit):

Without donor restrictions:

| | | | |
|--|-------------------|-------------------|--------------------|
| Undesignated | (88,962) | (11,650) | (27,499) |
| Board designated | | | |
| Investment in property and equipment | 423,124 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total net assets (deficit) | 334,162 | (11,650) | (27,499) |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and net assets (deficit) | <u>\$ 340,527</u> | <u>\$ (6,307)</u> | <u>\$ (27,499)</u> |

See Independent Auditor's Report.

| Cargill | Healthy Foods | Total Special Projects |
|-----------------|----------------------|-------------------------------|
| \$ 6,199 | \$ (78,089) | \$ (199,054) |
| - | - | 8,091 |
| - | - | 2,670 |
| 6,199 | (78,089) | (188,293) |
| - | - | 669,180 |
| - | - | 6,820 |
| - | - | (252,876) |
| - | - | 423,124 |
| <u>\$ 6,199</u> | <u>\$ (78,089)</u> | <u>\$ 234,831</u> |
| \$ 40 | \$ 3,003 | \$ 8,951 |
| - | - | 5,800 |
| 6,159 | 8,000 | 14,159 |
| 6,199 | 11,003 | 28,910 |
| - | (89,092) | (217,203) |
| - | - | 423,124 |
| - | (89,092) | 205,921 |
| <u>\$ 6,199</u> | <u>\$ (78,089)</u> | <u>\$ 234,831</u> |

Communities Unlimited, Inc.
Corporate Division
Combining Statement of Financial Position
September 30, 2023

| Assets | Finance and Administration | Non-Profit Tech Support | Robert Wood Johnson |
|---|---------------------------------------|------------------------------------|--------------------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ (7,934) | \$ 104,285 | \$ 78,000 |
| Short-term investments | - | - | - |
| Accounts receivable | - | 6,000 | 12,500 |
| Prepaid expenses | 75,017 | 4,287 | - |
| Total current assets | 67,083 | 114,572 | 90,500 |
| Property and Equipment: | | | |
| Building and land | - | - | - |
| Furniture and equipment | - | 3,692 | - |
| Less accumulated depreciation | - | (3,692) | - |
| Total property, plant and equipment | - | - | - |
| Total assets | \$ 67,083 | \$ 114,572 | \$ 90,500 |
| Liabilities and Net Assets | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 67,083 | \$ 1,601 | \$ - |
| Accrued expenses | - | - | - |
| Total current liabilities | 67,083 | 1,601 | - |
| Total liabilities | 67,083 | 1,601 | - |
| Net Assets: | | | |
| Without donor restrictions: | | | |
| Undesignated | - | 112,971 | 90,500 |
| Board designated: | | | |
| Investment in property and equipment | - | - | - |
| Total net assets | - | 112,971 | 90,500 |
| Total liabilities and net assets | \$ 67,083 | \$ 114,572 | \$ 90,500 |

See Independent Auditor's Report.

| Partners for Rural Transformation | AFRI | Core | Total Corporate Division |
|---|-------------|--------------|--------------------------------|
| \$ (37,243) | \$ (15,275) | \$ 5,044,809 | \$ 5,166,642 |
| - | - | 510,000 | 510,000 |
| 38,669 | 18,890 | (872) | 75,187 |
| - | - | - | 79,304 |
| 1,426 | 3,615 | 5,553,937 | 5,831,133 |
| - | - | 1,147,167 | 1,147,167 |
| - | - | 123,014 | 126,706 |
| - | - | (701,399) | (705,091) |
| - | - | 568,782 | 568,782 |
| \$ 1,426 | \$ 3,615 | \$ 6,122,719 | \$ 6,399,915 |
| \$ 1,426 | \$ 3,615 | \$ (8,081) | \$ 65,644 |
| - | - | 176,088 | 176,088 |
| 1,426 | 3,615 | 168,007 | 241,732 |
| 1,426 | 3,615 | 168,007 | 241,732 |
| - | - | 5,385,930 | 5,589,401 |
| - | - | 568,782 | 568,782 |
| - | - | 5,954,712 | 6,158,183 |
| \$ 1,426 | \$ 3,615 | \$ 6,122,719 | \$ 6,399,915 |

Communities Unlimited, Inc.

Loan Fund

Combining Statement of Activities Year Ended September 30, 2023

| | Administration | SBA TA | Water Lending | Delta IRP | 14 County IRP | Mississippi Delta IRP |
|--|---------------------|--------------------|------------------|--------------------|------------------|--------------------------|
| Revenues | | | | | | |
| Grant funds - operating | \$ 108,435 | \$ 167,004 | \$ 59,658 | \$ - | \$ - | \$ - |
| Grant funds - loan fund equity | - | - | - | - | - | - |
| Program income | 6,081 | - | 114 | 20,191 | 13,464 | 11,104 |
| Interest income | 1,896 | 9 | - | 448 | - | - |
| Miscellaneous income | 186 | 10 | - | - | - | - |
| Total revenues | 116,598 | 167,023 | 59,772 | 20,639 | 13,464 | 11,104 |
| Expenses | | | | | | |
| Salaries and fringe benefits | 153,543 | 116,509 | 44,700 | - | - | - |
| Property taxes | 373 | - | - | - | - | - |
| Travel | 7,319 | 11,204 | - | - | - | - |
| Training and professional meetings | 3,193 | 12,610 | 10 | - | - | - |
| Professional and other services | 26,747 | 3,859 | 35 | 1,908 | - | - |
| Insurance | - | 15,314 | - | - | - | - |
| Supplies | 17,769 | 32,466 | 2,808 | - | - | - |
| Printing and publications | 4,308 | 2,257 | 131 | - | - | - |
| Communications | 2,102 | 2,693 | 501 | - | - | - |
| Office space | 5,091 | 74 | 85 | - | - | - |
| Equipment maintenance and rental | - | - | - | - | - | - |
| Interest and loan fees | 3,775 | - | - | 6,328 | 2,688 | 2,103 |
| Bad debts (recoveries) | - | - | (215) | 95,747 | (905) | (394) |
| Subrecipients | - | - | - | - | - | - |
| Miscellaneous | 902 | 378 | 28 | - | - | - |
| Indirect expense | 39,476 | 30,836 | 11,492 | - | - | - |
| Total expenses | 264,598 | 228,200 | 59,575 | 103,983 | 1,783 | 1,709 |
| Excess (Deficiency) of Revenues Over Expenses | <u>\$ (148,000)</u> | <u>\$ (61,177)</u> | <u>\$ 197</u> | <u>\$ (83,344)</u> | <u>\$ 11,681</u> | <u>\$ 9,395</u> |

See Independent Auditor's Report.

| USDA | Woodnext Foundation | CDFI | Wells Fargo | Bank of America | Robert Wood Johnson Predevelopment | Texas Mortgages | Wells Fargo Small Business |
|------------------|--------------------------------|---------------------|--------------------|----------------------------|---|----------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 306,811 | \$ - | \$ 78,988 |
| 200,769 | - | 1,337,700 | - | - | 150,000 | - | 363,585 |
| 120,373 | - | 200,354 | 17,300 | 2,274 | 33,028 | 32,950 | 18,100 |
| - | 47,211 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>321,142</u> | <u>47,211</u> | <u>1,538,054</u> | <u>17,300</u> | <u>2,274</u> | <u>489,839</u> | <u>32,950</u> | <u>460,673</u> |
| - | - | - | - | - | 193,940 | - | - |
| - | - | - | - | - | 40 | - | - |
| - | - | - | - | - | 14,746 | - | - |
| - | - | - | - | - | 865 | - | - |
| - | - | - | - | - | 227 | - | - |
| - | - | - | - | - | 2,864 | - | - |
| - | - | - | - | - | 5,699 | - | - |
| - | - | - | - | - | 1,297 | - | - |
| - | - | - | - | - | 3,308 | - | - |
| - | - | - | - | - | 440 | - | - |
| - | - | - | - | - | - | - | - |
| 22,723 | 18,658 | 1 | 4,873 | - | 2,035 | 52 | 4,978 |
| (191,417) | - | 99,051 | (1,337) | (942) | 31,497 | 8,778 | 12,674 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 8 |
| - | - | - | - | - | 49,863 | - | - |
| <u>(168,694)</u> | <u>18,658</u> | <u>99,052</u> | <u>3,536</u> | <u>(942)</u> | <u>306,821</u> | <u>8,830</u> | <u>17,660</u> |
| <u>\$489,836</u> | <u>\$ 28,553</u> | <u>\$ 1,439,002</u> | <u>\$ 13,764</u> | <u>\$ 3,216</u> | <u>\$ 183,018</u> | <u>\$ 24,120</u> | <u>\$ 443,013</u> |

Communities Unlimited, Inc.
Loan Fund (Continued)
Combining Statement of Activities
Year Ended September 30, 2023

| | Nuestra Casa | DACA | Winthrop Rockefeller Foundation | Babcock Foundation | Small Business |
|--|--------------------|-------------------|---------------------------------------|-----------------------|---------------------|
| Revenues | | | | | |
| Grant funds - operating | \$ 86,857 | \$ 7,210 | \$ - | \$ - | \$ 653 |
| Grant funds - loan fund equity | - | - | - | - | - |
| Program income | 19,507 | - | 6,045 | 3,240 | 3,948 |
| Interest income | 1,483 | - | - | - | - |
| Miscellaneous income | 500 | - | - | - | - |
| Total revenues | 108,347 | 7,210 | 6,045 | 3,240 | 4,601 |
| Expenses | | | | | |
| Salaries and fringe benefits | 80,748 | - | - | - | 219,460 |
| Property taxes | - | - | - | - | - |
| Travel | 2,414 | - | - | - | 522 |
| Training and professional meetings | 1,536 | - | - | - | 860 |
| Professional and other services | 5,497 | - | - | - | 9 |
| Insurance | - | - | - | - | - |
| Supplies | 3,895 | - | - | - | 5,951 |
| Printing and publications | 1,647 | - | - | - | 789 |
| Communications | 2,615 | - | - | - | 2,500 |
| Office space | 4,948 | - | - | - | 765 |
| Equipment maintenance and rental | - | - | - | - | - |
| Interest and loan fees | 1,497 | - | 2,812 | 4,000 | 1,320 |
| Bad debts (recoveries) | 32,622 | - | 6,972 | (784) | 40,425 |
| Subrecipients | - | 13,230 | - | - | - |
| Miscellaneous | 97 | - | - | - | 49 |
| Indirect expense | 20,761 | - | - | - | 55,543 |
| Total expenses | 158,277 | 13,230 | 9,784 | 3,216 | 328,193 |
| Excess (Deficiency) of Revenues Over Expenses | <u>\$ (49,930)</u> | <u>\$ (6,020)</u> | <u>\$ (3,739)</u> | <u>\$ 24</u> | <u>\$ (323,592)</u> |

See Independent Auditor's Report.

| TLL Temple Foundation | Arkansas Community Foundation | SBA | LendTN | Household Water Wells | JP Morgan Chase |
|--------------------------------------|--|--------------------|-------------------|----------------------------------|----------------------------|
| \$ 115,155 | \$ 2,896 | \$ 3,803 | \$ - | \$ - | \$ 5,332 |
| 66,400 | - | - | - | 202,843 | - |
| 1,686 | 29,771 | 35,286 | - | 3,603 | 3,436 |
| - | - | 226 | 2 | - | - |
| - | - | 145 | - | - | - |
| <u>183,241</u> | <u>32,667</u> | <u>39,460</u> | <u>2</u> | <u>206,446</u> | <u>8,768</u> |
| 64,685 | - | - | 5,010 | - | - |
| - | - | - | - | - | - |
| 3,670 | - | - | - | - | - |
| 2,235 | - | - | - | - | - |
| 5,742 | 1,848 | 775 | - | - | - |
| - | 844 | - | - | - | - |
| 2,841 | - | - | 85 | - | - |
| 2,192 | - | - | 21 | - | - |
| 1,540 | - | - | 12 | - | - |
| 3,682 | - | - | 3 | - | - |
| - | 1,394 | - | - | - | - |
| (76) | 14,144 | 14,095 | - | - | 5,315 |
| 1,598 | 90,171 | 48,366 | - | 41,157 | 20,769 |
| - | - | - | - | - | - |
| 6 | - | (12) | - | - | - |
| <u>16,631</u> | <u>-</u> | <u>-</u> | <u>1,288</u> | <u>-</u> | <u>-</u> |
| <u>104,746</u> | <u>108,401</u> | <u>63,224</u> | <u>6,419</u> | <u>41,157</u> | <u>26,084</u> |
| <u>\$ 78,495</u> | <u>\$ (75,734)</u> | <u>\$ (23,764)</u> | <u>\$ (6,417)</u> | <u>\$ 165,289</u> | <u>\$ (17,316)</u> |

Communities Unlimited, Inc.
Loan Fund (Continued)
Combining Statement of Activities
Year Ended September 30, 2023

| OFN | Amarillo Area Foundation | Total Loan Fund |
|--------|--------------------------------|--------------------|
| \$ - | \$ 6,778 | \$ 949,580 |
| - | - | 2,321,297 |
| 18,211 | 6,111 | 606,177 |
| - | - | 51,275 |
| - | - | 841 |
| 18,211 | 12,889 | 3,929,170 |
| - | - | 878,595 |
| - | - | 413 |
| - | - | 39,875 |
| - | - | 21,309 |
| - | - | 46,647 |
| - | - | 19,022 |
| - | - | 71,514 |
| - | - | 12,642 |
| - | - | 15,271 |
| - | - | 15,088 |
| - | - | 1,394 |
| 15,000 | 1,472 | 127,793 |
| 2,529 | 5,588 | 341,950 |
| - | - | 13,230 |
| - | (13) | 1,443 |
| - | - | 225,890 |
| 17,529 | 7,047 | 1,832,076 |
| \$ 682 | \$ 5,842 | \$ 2,097,094 |

See Independent Auditor's Report.

Communities Unlimited, Inc.
Environmental Services
Combining Statement of Activities
Year Ended Septmeber 30, 2023

| | Office of Community Services | Safe Drinking Water | Technitrain | Private Wells |
|--|---|------------------------------------|--------------------|--------------------------|
| Revenues | | | | |
| Grant funds - operating | \$ 1,281,975 | \$ 1,657,408 | \$ 1,354,487 | \$ 96,778 |
| Grant funds - operating match | - | - | - | - |
| Program income | 13,888 | 182,500 | 33,655 | 8,280 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 1,295,863 | 1,839,908 | 1,388,142 | 105,058 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenses | | | | |
| Salaries and fringe benefits | 878,919 | 1,151,560 | 882,598 | 66,322 |
| Property tax and licenses | 2,021 | 1,103 | 1,501 | - |
| Travel | 56,007 | 105,893 | 106,959 | 3,987 |
| Training and professional meetings | 26,820 | 21,792 | 40,673 | 694 |
| Professional and other services | 12,762 | 1,447 | 1,344 | 16 |
| Insurance | 3,308 | 5,075 | 4,705 | 394 |
| Supplies | 49,170 | 44,798 | 85,040 | 6,678 |
| Printing and publications | 10,355 | 10,125 | 9,464 | 337 |
| Communications | 24,669 | 18,282 | 23,381 | 1,100 |
| Office space | 7,630 | 8,133 | 5,462 | 198 |
| Interest and loan fees | - | 175,500 | - | 8,280 |
| Subcontractors | - | - | - | - |
| Miscellaneous | 101 | 129 | 224 | - |
| Indirect expense | 224,101 | 296,071 | 226,791 | 17,052 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | 1,295,863 | 1,839,908 | 1,388,142 | 105,058 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenses | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - |

See Independent Auditor's Report.

| Waste Water | Tribal Governance | Rural Treatment Works | Arkansas Department of Health | Colonias Project | State of Mississippi | NADBank |
|------------------------|------------------------------|--------------------------------------|--|-----------------------------|---------------------------------|----------------|
| \$ 52,367 | \$ 57,616 | \$ 147,387 | \$ 106,386 | \$ 402,081 | \$ 55,356 | \$ 99,887 |
| - | - | - | - | - | - | - |
| 13,845 | 7,218 | 1,000 | - | 45,360 | - | - |
| 66,212 | 64,834 | 148,387 | 106,386 | 447,441 | 55,356 | 99,887 |
| 37,555 | 41,322 | 100,232 | 63,648 | 253,668 | 37,210 | 50,675 |
| 4 | - | 67 | - | 193 | - | - |
| 2,285 | 232 | 10,059 | 5,200 | 30,242 | 6,019 | 2,633 |
| 203 | 208 | 2,661 | 333 | 11,299 | 419 | 290 |
| 6 | 5 | 74 | 7 | 245 | 61 | 86 |
| 224 | 189 | 470 | 281 | 1,146 | 189 | 950 |
| 1,281 | 3,995 | 4,592 | 1,096 | 4,799 | 1,399 | 804 |
| 141 | 152 | 1,061 | 709 | 2,914 | 146 | 17,408 |
| 695 | 584 | 1,681 | 643 | 3,977 | 461 | 1,518 |
| 316 | 305 | 1,718 | - | 6,613 | - | 329 |
| 13,845 | 7,218 | - | - | 45,360 | - | - |
| - | - | - | - | 21,614 | - | 12,000 |
| 1 | - | 2 | - | 152 | - | - |
| 9,656 | 10,624 | 25,770 | 16,364 | 65,219 | 9,567 | 13,194 |
| 66,212 | 64,834 | 148,387 | 88,281 | 447,441 | 55,471 | 99,887 |
| \$ - | \$ - | \$ - | \$ 18,105 | \$ - | \$ (115) | \$ - |

Communities Unlimited, Inc.
Environmental Services (Continued)
Combining Statement of Activities
Year Ended September 30, 2023

| | TX Dept of Agri | RWJF Predevelopment | SERCAP EFC | Texas Regionalization |
|------------------------------------|----------------------------|--------------------------------|-----------------------|----------------------------------|
| Revenues | | | | |
| Grant funds - operating | \$ - | \$ 10,880 | \$ 91 | \$ 137,960 |
| Grant funds - operating match | - | - | - | (11,162) |
| Program income | 99,167 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 99,167 | 10,880 | 91 | 126,798 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenses | | | | |
| Salaries and fringe benefits | 33,504 | 8,475 | 42 | 85,396 |
| Property tax and licenses | - | - | - | - |
| Travel | 601 | 104 | - | 7,509 |
| Training and professional meetings | 71 | - | - | 2,644 |
| Professional and other services | - | - | - | 25 |
| Insurance | - | - | - | 1,559 |
| Supplies | 2,517 | 28 | 38 | 4,335 |
| Printing and publications | 62 | 6 | - | 843 |
| Communications | 637 | 88 | - | 1,027 |
| Office space | - | - | - | 1,504 |
| Interest and loan fees | - | - | - | - |
| Subcontractors | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Indirect expense | 8,614 | 2,179 | 11 | 21,956 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | 46,006 | 10,880 | 91 | 126,798 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of | | | | |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | \$ 53,161 | \$ - | \$ - | \$ - |

See Independent Auditor's Report.

| CF-TAT | Lydia Hill | RCAC NAD Bank | Agua4All | Other | Total Environmental Services |
|---------------|-------------------|--------------------------|-----------------|--------------|---|
| \$ 112,687 | \$ 162,951 | \$ 41,783 | \$ 16,942 | \$ - | \$ 5,795,022 |
| 11,162 | - | - | - | - | - |
| - | - | - | - | 133,796 | 538,709 |
| 123,849 | 162,951 | 41,783 | 16,942 | 133,796 | 6,333,731 |
| 113,127 | 115,287 | 19,534 | 7,658 | 94,275 | 4,041,007 |
| - | - | - | - | - | 4,889 |
| 2,812 | 7,940 | 3,348 | 448 | 9,884 | 362,162 |
| 2,463 | 308 | 14 | 139 | 279 | 111,310 |
| 69 | - | - | 3 | 54,575 | 70,725 |
| 583 | 1,040 | 132 | - | 684 | 20,929 |
| 14,522 | 3,904 | 423 | 6,367 | 3,352 | 239,138 |
| 344 | 1,005 | 44 | 10 | 1,145 | 56,271 |
| 1,441 | 2,246 | 266 | 8 | - | 82,704 |
| 958 | 1,580 | - | 21 | - | 34,767 |
| - | - | - | - | - | 250,203 |
| - | - | 13,000 | - | - | 46,614 |
| - | - | - | - | - | 609 |
| 30,473 | 29,641 | 5,022 | 2,288 | 24,238 | 1,038,831 |
| 166,792 | 162,951 | 41,783 | 16,942 | 188,432 | 6,360,159 |
| \$ (42,943) | \$ - | \$ - | \$ - | \$ (54,636) | \$ (26,428) |

Communities Unlimited, Inc.
Entrepreneurship
Combining Statement of Activities
Year Ended September 30, 2023

| | AR RBDG | RCAP Wells Fargo | Delta Owned | Walton Family Foundation | TX RBDG |
|------------------------------------|-----------------|-----------------------------|------------------------|-------------------------------------|----------------|
| Revenues | | | | | |
| Grant funds - operating | \$ 129,208 | \$ 177,448 | \$ 22,792 | \$ 37,974 | \$ 44,027 |
| Grant funds - operating match | 4,992 | (82,235) | (4,992) | - | 17,175 |
| Program income | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 134,200 | 95,213 | 17,800 | 37,974 | 61,202 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenses | | | | | |
| Salaries and fringe benefits | 97,670 | 58,249 | - | 26,762 | 46,084 |
| Property tax and licenses | - | - | - | - | - |
| Travel | 1,589 | 2,939 | - | 283 | - |
| Training and professional meetings | 541 | 6,904 | - | 164 | 16 |
| Professional and other services | 31 | 122 | - | 436 | 1 |
| Insurance | - | - | - | - | - |
| Supplies | 6,225 | 6,920 | - | 764 | 899 |
| Printing and publications | 819 | 2,697 | - | 847 | 221 |
| Communications | 1,256 | 1,388 | - | 283 | 727 |
| Office space | 1,151 | 866 | - | 4 | 1,406 |
| Subcontractors | - | - | - | - | - |
| Subrecipients | - | - | 15,000 | - | - |
| Miscellaneous | - | - | 2,800 | 1,550 | - |
| Indirect expense | 25,111 | 15,128 | - | 6,881 | 11,848 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | 134,393 | 95,213 | 17,800 | 37,974 | 61,202 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of | | | | | |
| Revenues Over Expenses | <u>\$ (193)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See Independent Auditor's Report.

| MS RBDG | SBA Prime | Wells Fargo Ewealth Health | MBDA | TLL Temple Foundation | JP Morgan Chase |
|----------------|----------------------|---|-------------|----------------------------------|----------------------------|
| \$ 12,220 | \$ 200,000 | \$ 38,036 | \$ 551,118 | \$ 75,538 | \$ 179,803 |
| 6,149 | 101,940 | - | 111,750 | (17,142) | (62,992) |
| - | - | - | 28,750 | - | 1,614 |
| 18,369 | 301,940 | 38,036 | 691,618 | 58,396 | 118,425 |
| 11,248 | 208,923 | 9,511 | 472,827 | 37,876 | 38,369 |
| - | - | - | 373 | - | - |
| - | 4,711 | - | 20,336 | 5,070 | 1,050 |
| 1,223 | 8,526 | 637 | 7,350 | 914 | 2,957 |
| 28 | 126 | 15 | 37,982 | 3 | 540 |
| - | - | - | 9,891 | - | - |
| 1,799 | 12,676 | 192 | 16,970 | 4,247 | 2,869 |
| 168 | 3,191 | 29 | 23,573 | 166 | 102 |
| 171 | 5,435 | 145 | 7,654 | 755 | 605 |
| 295 | 4,541 | 62 | 9,351 | 98 | 583 |
| - | - | - | 1,208 | - | - |
| - | - | 25,000 | - | - | 60,000 |
| - | 96 | - | 4,161 | - | 1,614 |
| 3,437 | 53,715 | 2,445 | 121,414 | 9,738 | 9,736 |
| 18,369 | 301,940 | 38,036 | 733,090 | 58,867 | 118,425 |
| \$ - | \$ - | \$ - | \$ (41,472) | \$ (471) | \$ - |

Communities Unlimited, Inc.
Entrepreneurship (Continued)
Combining Statement of Activities
Year Ended September 30, 2023

| | Amarillo Area Foundation | Entrepreneurship Core | Total Entrepreneurship |
|--|-------------------------------------|----------------------------------|-----------------------------------|
| Revenues | | | |
| Grant funds - operating | \$ 72,528 | \$ 2,000 | \$ 1,542,692 |
| Grant funds - operating match | (33) | - | 74,612 |
| Program income | - | 1,000 | 31,364 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 72,495 | 3,000 | 1,648,668 |
| | <hr/> | <hr/> | <hr/> |
| Expenses | | | |
| Salaries and fringe benefits | 49,247 | 320 | 1,057,086 |
| Property tax and licenses | - | - | 373 |
| Travel | 17 | 3,238 | 39,233 |
| Training and professional meetings | 1,474 | 22,464 | 53,170 |
| Professional and other services | 17 | 11,345 | 50,646 |
| Insurance | - | - | 9,891 |
| Supplies | 416 | 43 | 54,020 |
| Printing and publications | 880 | 1 | 32,694 |
| Communications | 1,015 | 44 | 19,478 |
| Office space | 51 | - | 18,408 |
| Subcontractors | - | - | 1,208 |
| Subrecipients | - | 7,000 | 107,000 |
| Miscellaneous | 125 | 102 | 10,448 |
| Indirect expense | 12,662 | (463) | 271,652 |
| | <hr/> | <hr/> | <hr/> |
| Total expenses | 65,904 | 44,094 | 1,725,307 |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenses | <hr/> <hr/> \$ 6,591 | <hr/> <hr/> \$ (41,094) | <hr/> <hr/> \$ (76,639) |

See Independent Auditor's Report.

Communities Unlimited, Inc.
Communities
Combining Statement of Activities
Year Ended September 30, 2023

| | TLL Temple | Rural Placemaking | King Foundation | RCDI |
|--|-------------------|------------------------------|----------------------------|------------------|
| Revenues | | | | |
| Grant funds - operating | \$ 324,978 | \$ 348,224 | \$ 50,236 | \$ 456,251 |
| Grant funds - operating match | (30,703) | 30,703 | (48,437) | 137,432 |
| Program income | - | - | - | 5,250 |
| Donations | - | - | - | - |
| Miscellaneous income | 462 | 2,500 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 294,737 | 381,427 | 1,799 | 598,933 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenses | | | | |
| Salaries and fringe benefits | 163,100 | 242,412 | 711 | 402,264 |
| Property tax and licenses | - | - | - | - |
| Travel | 20,474 | 39,000 | - | 35,794 |
| Training and professional meetings | 1,417 | 5,266 | 225 | 14,800 |
| Professional and other services | 6,400 | 9,117 | - | 666 |
| Insurance | - | - | - | 114 |
| Supplies | 46,676 | 12,833 | 679 | 19,109 |
| Printing and publications | 1,802 | 1,387 | - | 3,686 |
| Communications | 3,514 | 3,233 | - | 8,382 |
| Office space | 8,725 | 3,323 | - | 8,107 |
| Subcontractors | - | - | - | 1,220 |
| Miscellaneous | 250 | 2,976 | - | 1,903 |
| Indirect expense | 42,379 | 61,880 | 184 | 102,888 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | 294,737 | 381,427 | 1,799 | 598,933 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenses | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - |

See Independent Auditor's Report.

| Resound | Solid Waste | Amarillo Area Foundation | Communities Core | Total Communities |
|----------------|--------------------|---------------------------------|-------------------------|--------------------------|
| \$ - | \$ 81,423 | \$ 109,112 | \$ 25,000 | \$ 1,395,224 |
| - | - | (88,995) | - | - |
| 20,000 | - | - | 7,433 | 32,683 |
| - | - | - | 2,500 | 2,500 |
| - | - | - | 750 | 3,712 |
| 20,000 | 81,423 | 20,117 | 35,683 | 1,434,119 |
| 3,090 | 49,533 | 9,759 | 22,940 | 893,809 |
| - | 53 | - | - | 53 |
| - | 9,099 | 3,295 | 12,028 | 119,690 |
| - | 4,660 | - | 366 | 26,734 |
| - | 42 | - | 26 | 16,251 |
| - | - | - | - | 114 |
| 6 | 1,879 | 1,201 | 6,883 | 89,266 |
| 1 | 303 | 4 | 58 | 7,241 |
| - | 613 | 257 | 860 | 16,859 |
| - | 2,506 | 1,263 | 1,268 | 25,192 |
| - | - | - | - | 1,220 |
| - | - | - | 227 | 5,356 |
| 794 | 12,735 | 2,509 | 6,432 | 229,801 |
| 3,891 | 81,423 | 18,288 | 51,088 | 1,431,586 |
| \$ 16,109 | \$ - | \$ 1,829 | \$ (15,405) | \$ 2,533 |

Communities Unlimited, Inc.
Housing
Combining Statement of Activities
Year Ended September 30, 2023

| | PRT-USDA Dumas | Enterprise Section 4 HUD | MiCasita | Total Housing |
|---|---------------------------|-------------------------------------|-----------------|--------------------------|
| Revenues | | | | |
| Grant funds - operating | \$ 22,137 | \$ 5,706 | \$ 146,448 | \$ 174,291 |
| Grant funds - operating match | - | 1,902 | (1,902) | - |
| | <u>22,137</u> | <u>7,608</u> | <u>144,546</u> | <u>174,291</u> |
| Total revenues | <u>22,137</u> | <u>7,608</u> | <u>144,546</u> | <u>174,291</u> |
| Expenses | | | | |
| Salaries & fringe benefits | 14,510 | 4,472 | 97,371 | 116,353 |
| Property taxes | 373 | - | - | 373 |
| Travel | 1,259 | 500 | 10,277 | 12,036 |
| Training and professional meeting | 317 | 563 | 2,541 | 3,421 |
| Professional and other services | 552 | - | 1,923 | 2,475 |
| Insurance | - | - | 803 | 803 |
| Supplies | 802 | 535 | 4,485 | 5,822 |
| Printing and publications | 397 | 341 | 848 | 1,586 |
| Communications | 196 | 47 | 1,067 | 1,310 |
| Miscellaneous | - | - | 196 | 196 |
| Indirect | 3,731 | 1,150 | 25,035 | 29,916 |
| | <u>22,137</u> | <u>7,608</u> | <u>144,546</u> | <u>174,291</u> |
| Total expenses | <u>22,137</u> | <u>7,608</u> | <u>144,546</u> | <u>174,291</u> |
| Excess of Revenues Over Expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See Independent Auditor's Report.

Communities Unlimited, Inc.
Special Projects
Combining Statement of Activities
Year Ended September 30, 2023

| | Lakewood Mobile Home Park | No Kid Hungry | Farm to School |
|--|--|--------------------------|---------------------------|
| Revenues | | | |
| Grant funds - operating | \$ - | \$ 116,272 | \$ 65,097 |
| Grant funds - operating match | - | (14,468) | 14,468 |
| Program income | 99,705 | - | - |
| Donations | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 99,705 | 101,804 | 79,565 |
| | <hr/> | <hr/> | <hr/> |
| Expenses | | | |
| Salaries and fringe benefits | 2,480 | 35,391 | 48,574 |
| Property tax and licenses | 6,828 | 1,129 | 683 |
| Travel | 310 | 569 | 854 |
| Professional and other services | 420 | 42,151 | 25,020 |
| Insurance | 11,187 | - | - |
| Supplies | 2,570 | 12,797 | 352 |
| Printing and publications | 2 | 364 | 635 |
| Communications | 351 | 492 | 768 |
| Office space | 8,618 | - | - |
| Equipment maintenance and rental | 12,389 | - | - |
| Subcontractors | 8,340 | - | - |
| Indirect expense | 638 | 8,911 | 12,489 |
| | <hr/> | <hr/> | <hr/> |
| Total expenses | 54,133 | 101,804 | 89,375 |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenses | 45,572 | - | (9,810) |
| Less: Depreciation Expense | (37,976) | - | - |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenses | <u>\$ 7,596</u> | <u>\$ -</u> | <u>\$ (9,810)</u> |

See Independent Auditor's Report.

| Cargill | Healthy Foods | Total Special Projects |
|----------------|----------------------|-------------------------------|
| \$ 10,274 | \$ 7,000 | \$ 198,643 |
| - | - | - |
| - | - | 99,705 |
| - | 150 | 150 |
| 10,274 | 7,150 | 298,498 |
| 7,196 | 10,431 | 104,072 |
| - | - | 8,640 |
| 143 | - | 1,876 |
| 3 | - | 67,594 |
| - | - | 11,187 |
| 1,006 | 7,000 | 23,725 |
| 17 | 72 | 1,090 |
| 60 | 18 | 1,689 |
| - | - | 8,618 |
| - | - | 12,389 |
| - | - | 8,340 |
| 1,849 | 2,870 | 26,757 |
| 10,274 | 20,391 | 275,977 |
| - | (13,241) | 22,521 |
| - | - | (37,976) |
| \$ - | \$ (13,241) | \$ (15,455) |

Communities Unlimited, Inc.
Corporate Division
Combining Statement of Activities
Year Ended September 30, 2023

| | Finance and Administration | Non-Profit Tech Support | Robert Wood Johnson |
|--|---------------------------------------|------------------------------------|--------------------------------|
| Revenues | | | |
| Grant funds - operating | \$ - | \$ - | \$ - |
| Grant funds - operating match | - | - | - |
| Program income | - | 156,000 | - |
| Interest income | 163 | - | - |
| Donations | - | - | - |
| Miscellaneous income | 1,163 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 1,326 | 156,000 | - |
| | <hr/> | <hr/> | <hr/> |
| Expenses | | | |
| Salaries and fringe benefits | 1,127,141 | 89,794 | - |
| Property tax and licenses | 369 | - | - |
| Travel | 30,004 | - | - |
| Training and professional meeting | 50,884 | 962 | - |
| Professional and other services | 388,169 | 25,520 | - |
| Insurance | 30,185 | 15,205 | - |
| Supplies | 130,628 | 518 | - |
| Printing and publications | 56,929 | 1,652 | - |
| Communications | 20,900 | 811 | - |
| Office space | 35,950 | (6) | - |
| Subcontractors | - | - | - |
| Subrecipients | - | - | (2,642) |
| Miscellaneous | 7,304 | - | - |
| Indirect expense | (1,877,137) | 22,958 | - |
| | <hr/> | <hr/> | <hr/> |
| Total expenses | 1,326 | 157,414 | (2,642) |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues | | | |
| Over Expenses Before Depreciation | - | (1,414) | 2,642 |
| | | | |
| Less: Depreciation Expense | - | - | - |
| Excess (Deficiency) of Revenues Over Expenses | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See Independent Auditor's Report.

| Partners for Rural Transformation | AFRI | Core | Total Corporate Division |
|--|---------------|---------------------|---|
| \$ 283,926 | \$ 49,795 | \$ 1,000,000 | \$ 1,333,721 |
| (74,612) | - | - | (74,612) |
| - | - | 600 | 156,600 |
| - | - | 211,911 | 212,074 |
| - | - | 18,458 | 18,458 |
| 4,474 | - | 15,045 | 20,682 |
| 213,788 | 49,795 | 1,246,014 | 1,666,923 |
| 84,198 | 24,845 | 12,818 | 1,338,796 |
| - | - | 2,785 | 3,154 |
| 16,653 | 5,717 | 1,391 | 53,765 |
| 1,171 | 765 | 5,288 | 59,070 |
| 4,758 | 5,032 | 5,380 | 428,859 |
| 414 | - | - | 45,804 |
| 5,285 | 4,019 | 17 | 140,467 |
| 3,195 | 2,453 | (6,888) | 57,341 |
| 653 | 533 | 1,146 | 24,043 |
| 1,230 | 43 | (5,445) | 31,772 |
| 74,333 | - | - | 74,333 |
| - | - | - | (2,642) |
| 250 | - | 3,541 | 11,095 |
| 21,648 | 6,388 | 3,296 | (1,822,847) |
| 213,788 | 49,795 | 23,329 | 443,010 |
| - | - | 1,222,685 | 1,223,913 |
| - | - | (32,093) | (32,093) |
| \$ - | \$ - | \$ 1,190,592 | \$ 1,191,820 |

Communities Unlimited, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2023

| Federal Agency/Program Name | Funding Source | AL Number | Federal Expenses |
|--|---|--------------|-------------------------|
| DEPARTMENT OF AGRICULTURE | | | |
| Agriculture and Food Research Initiative | University of Kentucky | 10.310 | \$ <u>49,795</u> |
| Rural Business Development Grant | U.S. Department of Agriculture | 10.351 | <u>160,531</u> |
| Rural Community Development Initiative | U.S. Department of Agriculture | 10.446 | <u>292,007</u> |
| Farm to School Grant | U.S. Department of Agriculture | 10.575 | <u>65,097</u> |
| Technical Assistance and Training Grants | Rural Community Assistance Partnership, Inc. | 10.761 | 1,345,987 |
| Colonias Phase 2 Assessment Project | Rural Community Assistance Partnership, Inc. | 10.761 | 402,081 |
| Tribal Technitrain | Rural Community Assistance Partnership, Inc. | 10.761 | <u>57,616</u> |
| | Total AL #10.761 | | <u>1,805,684</u> |
| Technitrain Solid Waste Management | Rural Community Assistance Partnership, Inc. | 10.762 | <u>81,423</u> |
| Community Facilities Loans and Grants Cluster | | | |
| Community Facilities Technical Assistance and Training Grant | State of Arkansas | 10.766 | <u>112,687</u> |
| Intermediary Relending Program | U.S. Department of Agriculture | 10.767 | <u>1,051,116</u> * |
| Rural Decentralized Water Systems Grant | U.S. Department of Agriculture | 10.862 | <u>202,843</u> |
| Grant Program to Establish a Fund for Financing Water and Wastewater Projects | U.S. Department of Agriculture | 10.864 | <u>200,769</u> |

Communities Unlimited, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2023

| Federal Agency/Program Name | Funding Source | AL Number | Federal Expenses |
|--|--|--------------|---------------------|
| DEPARTMENT OF AGRICULTURE (Continued) | | | |
| Rural Development Cooperative Agreement | U.S. Department of Agriculture | 10.890 | 294,495 |
| Rural Development Cooperative Agreement Program Agreement Program | Federation of Appalachian Housing Enterprises | 10.890 | 22,137 |
| | Total AL #10.890 | | 316,632 |
| DEPARTMENT OF COMMERCE | | | |
| Minority Business Development Agency Business Center (MBC) Program | U.S. Department of Commerce | 11.805 | 551,118 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| Section 4 Capacity Building for Community Development and Affordable Housing | Enterprise Community Partners Inc. | 14.252 | 5,706 |
| DEPARTMENT OF TREASURY | | | |
| Community Development Financial Institutions Financial Assistance Program | U.S. Department of Treasury | 21.020 | 667,900 |
| Community Development Financial Institutions Small Dollar Loan Program | U.S. Department of Treasury | 21.025 | 86,807 |
| Community Development Financial Institutions Equitable Recovery Program | U.S. Department of Treasury | 21.033 | 669,800 |
| SMALL BUSINESS ADMINISTRATION | | | |
| Prime Technical Assistance | U.S. Small Business Administration | 59.050 | 200,000 |
| SBA Microloan Program | U.S. Small Business Administration | 59.046 | 827,413 * |
| SBA Microloan Program | U.S. Small Business Administration | 59.046 | 167,004 |
| | Total AL #59.046 | | 994,417 |
| ENVIRONMENTAL PROTECTION AGENCY | | | |
| Environmental Finance Center Grants | Southeast Rural Community Assistance Project, Inc. | 66.203 | 91 |

Communities Unlimited, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2023

| Federal Agency/Program Name | Funding Source | AL Number | Federal Expenses |
|---|---|--------------|------------------------------------|
| ENVIRONMENTAL PROTECTION AGENCY (Continued) | | | |
| Training and Technical Assistance to Improve Financial and Managerial Capacity of Small PWS | Rural Community Assistance Partnership, Inc. | 66.424 | <u>1,657,408</u> |
| Surveys, Studies, Investigations, Demonstrations, and Training Grants | Rural Community Assistance Partnership, Inc. | 66.436 | <u>149,145</u> |
| Technical Assistance for Treatment Works | Rural Community Assistance Partnership, Inc. | 66.446 | <u>147,387</u> |
| Drinking Water State Revolving Fund Cluster | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | State of Arkansas | 66.468 | 106,386 |
| Capitalization Grants for Drinking Water State Revolving Funds | Mississippi State Department of Health | 66.468 | <u>55,356</u> |
| | Total AL #66.468 | | <u>161,742</u> |
| International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs | North American Development Bank | 66.931 | 99,887 |
| International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs | Rural Community Assistance Corporation | 66.931 | <u>41,783</u> |
| | Total AL #66.931 | | <u>141,670</u> |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Community Services Block Grant - Discretionary Awards | U.S. Department of Health and Human Services | 93.570 | <u>1,281,975</u> |
| | Total Federal Expenditures | | <u><u>\$ 11,053,750</u></u> |

* - Federal expenditures consist of outstanding loan funds.
See Independent Auditor's Report.

Communities Unlimited, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2023

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Communities Unlimited, Inc. under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Communities Unlimited, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Communities Unlimited, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized, as applicable, following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

Communities Unlimited Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Subrecipients

Communities Unlimited Inc. does not have any subrecipients or subrecipient expenses.

Note 5 - Loan Balances

Loans outstanding at the beginning of the year plus any new loans received during the fiscal year are reported as federal expenses in the Schedule. The balance of loans outstanding at September 30, 2023 consists of:

| Program Name | Balance at September 30, 2023 | AL # |
|--------------------------------|-------------------------------|--------|
| Intermediary Relending Program | \$ 987,653 | 10.767 |
| SBA Microloan Program | \$ 726,451 | 59.046 |

Communities Unlimited, Inc.

Schedule of Expenditures of Private Awards Year Ended September 30, 2023

| Private Grantor | Amount Expended |
|--|---------------------|
| TLL Temple Foundation | \$ 582,071 |
| Wells Fargo | 480,104 |
| No Kid Hungry | 116,272 |
| Robert Wood Johnson Foundation | 467,691 |
| Rural Community Assistance Partnership, Incorporated | 275,685 |
| Greater Houston Foundation | 134,658 |
| King Foundation | 55,228 |
| Mitchell Foundation | 71,165 |
| Heartland Forward, Inc. | 33,591 |
| FB Heron Foundation | 126,382 |
| Federation of Appalachian Housing Enterprises | 1,283,926 |
| Lydia Hill Foundation | 162,951 |
| CDCB | 146,448 |
| St David's Foundation | 25,000 |
| Amarillo Area Foundation | 215,075 |
| JP Morgan Chase | 179,803 |
| Walton Family Foundation | 55,774 |
| Center for Disaster Philanthropy | 6,278 |
| Truist Bank | 40,663 |
| Arkansas Community Foundation | 14,210 |
| LISC | 52,000 |
| Cargill | 10,274 |
| | <u>\$ 4,535,249</u> |

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Communities Unlimited, Inc.
Fayetteville, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Communities Unlimited, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Communities Unlimited, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Communities Unlimited, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Communities Unlimited, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Communities Unlimited, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Communities Unlimited, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Communities Unlimited, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid.

Wipfli LLP

January 24, 2024
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Communities Unlimited, Inc.
Fayetteville, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Communities Unlimited, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Communities Unlimited, Inc.'s major federal programs for the year ended September 30, 2023. Communities Unlimited, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Communities Unlimited, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Communities Unlimited, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Communities Unlimited, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Communities Unlimited, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Communities Unlimited, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Communities Unlimited, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Communities Unlimited, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Communities Unlimited, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Communities Unlimited, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

January 24, 2024
Madison, Wisconsin

Communities Unlimited, Inc.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

| | |
|---|---------------|
| Type of auditor's report issued? | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None Reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---------------|
| Internal control over major federal programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None Reported |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? | No |
| Identification of major federal programs: | |

| <u>Name of Federal Major Program or Cluster</u> | <u>AL No.</u> |
|---|---------------|
| Intermediary Relending Program | 10.767 |
| Community Development Financial Institutions Fund Equitable Recovery Program | 21.033 |
| Surveys, Studies, Investigations, Demonstrations, and Training Grants – Section 1442 of the Safe Drinking Water Act | 66.424 |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None