UTAH MICROENTERPRISE LOAN FUND

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT THEREON

Years Ended September 30, 2024 and 2023

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CARVER
FLOREK &
JAMES, CPA's
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Utah Microenterprise loan Fund
Salt Lake City, Utah

Opinion

We have audited the financial statements of Utah Microenterprise Loan Fund (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Utah Microenterprise Loan Fund as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Utah Microenterprise Loan Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Utah Microenterprise Loan Fund's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 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, we:

- Exercise professional judgment 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 Utah Microenterprise Loan Fund'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Utah Microenterprise Loan Fund'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.

Carver Florek & James, CPAs

Layton, Utah
April 23, 2025

UTAH MICROENTERPRISE LOAN FUND
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 300,331	$ 560,271
Restricted cash and cash equivalents (loan pool restrictions)	632,086	593,093
Certificates of deposit (loan pool restrictions)	114,317	379,789
Receivables	19,210	8,885
Loans receivable, net of allowance for loan losses of $712,619 and $712,619 in 2024 and 2023, respectively	1,435,777	2,227,014
Property and equipment, net	182,150	199,334
Other	13,822	23,518
Total assets	$ 2,697,693	$ 3,991,904
LIABILITIES		
Accounts payable	$ 16,155	$ 25,534
Accrued liabilities	121,632	69,751
Unearned revenue	35,514	54,637
Deferred loan origination fee revenue	45,777	71,147
Notes payable	1,944,483	2,632,037
Long-term debt - revolving loan fund	410,771	423,352
Total liabilities	2,574,332	3,276,458
NET ASSETS		
Without donor restrictions	123,361	715,446
With donor restrictions	-	-
Total net assets	123,361	715,446
Total liabilities and net assets	$ 2,697,693	$ 3,991,904

The notes to financial statements are an integral part of this statement.

UTAH MICROENTERPRISE LOAN FUND
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended September 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND GAINS						
Contributions	$ 204,237	$ -	$ 204,237	$ 240,550	$ -	$ 240,550
Grants	87,638	-	87,638	39,137	-	39,137
Interest	203,554	-	203,554	220,699	-	220,699
Fees	46,606	-	46,606	45,121	-	45,121
Other	8,123	-	8,123	2,200	-	2,200
Net assets released from restrictions, satisfaction of program restrictions	-	-	-	10,174	(10,174)	-
Total revenue, support and gains	550,158	-	550,158	557,881	(10,174)	547,707
EXPENSES						
Program services	708,014	-	708,014	708,850	-	708,850
Supporting services:						
Management and general	389,121	-	389,121	308,050	-	308,050
Fundraising	45,108	-	45,108	56,092	-	56,092
Total expenses	1,142,243	-	1,142,243	1,072,992	-	1,072,992
Change in net assets	(592,085)	-	(592,085)	(515,111)	(10,174)	(525,285)
Net assets at beginning of year	715,446	-	715,446	1,230,557	10,174	1,240,731
Net assets at end of year	$ 123,361	$ -	$ 123,361	$ 715,446	$ -	$ 715,446

The notes to financial statements are an integral part of this statement.

UTAH MICROENTERPRISE LOAN FUND
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Expenses
Payroll related costs	$ 298,146	$ 261,171	$ 43,024	$ 602,341
Borrower support, loan and collection costs	2,043	-	-	2,043
Marketing and public relations	17,979	-	-	17,979
Professional services	-	20,900	-	20,900
Interest expense	38,131	-	-	38,131
Repairs, maintenance and utilities	12,593	4,169	2,084	18,846
Depreciation	-	17,184	-	17,184
Loan losses	339,122	-	-	339,122
Insurance	-	4,815	-	4,815
General and administrative expenses	-	80,882	-	80,882
Total expenses	$ 708,014	$ 389,121	$ 45,108	$ 1,142,243
	61.98%	34.07%	3.95%	100.00%

The notes to financial statements are an integral part of this statement.

UTAH MICROENTERPRISE LOAN FUND
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Expenses
Payroll related costs	$ 347,335	$ 261,171	$ 43,024	$ 651,530
Borrower support, loan and collection costs	5,002	-	-	5,002
Marketing and public relations	22,799	-	-	22,799
Professional services	-	20,200	-	20,200
Interest expense	48,660	-	-	48,660
Repairs, maintenance and utilities	14,594	4,169	2,084	20,847
Depreciation	13,326	3,807	1,904	19,037
Loan losses	191,406	-	-	191,406
Insurance	3,286	939	469	4,694
General and administrative expenses	62,442	17,764	8,611	88,817
Total expenses	$ 708,850	$ 308,050	$ 56,092	$ 1,072,992
	66.06%	28.71%	5.23%	100.00%

The notes to financial statements are an integral part of this statement.

UTAH MICROENTERPRISE LOAN FUND
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (592,085)	$ (525,285)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,184	19,037
(Gain) loss on sale of assets	(6,323)	-
Change in operating assets and liabilities:		
Receivables	(10,325)	28,940
Other assets	9,696	(11,978)
Accounts payable	(9,379)	(15,834)
Accrued liabilities	51,881	11,978
Deferred loan origination fee revenue	(25,370)	8,654
Unearned revenue	(19,123)	(4,668)
Undisbursed loan proceeds	-	(3,004)
Net cash provided (used) by operating activities	(583,844)	(492,160)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (increase) decrease in certificates of deposit	265,472	329,971
Loans issued to borrowers	(747,512)	(1,632,501)
Collections on loans receivable	1,538,749	1,206,694
Recoveries allocated to general loan pool	9,286	9,286
Proceeds from sale of land	6,323	-
Net cash provided (used) by investing activities	1,072,318	(86,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	-	300,000
Principal payments on notes payable	(687,554)	(567,546)
Principal payments on long-term debt - revolving loan fund	(21,867)	(31,258)
Net cash provided (used) by financing activities	(709,421)	(298,804)
Net increase (decrease) in cash	(220,947)	(877,514)
Cash, cash equivalents and restricted cash and cash equivalents - beginning of year	1,153,364	2,030,878
Cash, cash equivalents and restricted cash and cash equivalents - end of year	$ 932,417	$ 1,153,364
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	$ 38,131	$ 48,660
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Allocation of loan losses to general loan loss reserve	$ -	$ 10,174

The notes to financial statements are an integral part of this statement.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Utah Microenterprise Loan Fund (the Fund) is a nonprofit organization empowering underserved communities in Utah by providing business training and funding (up to $50,000) to entrepreneurs in start-up and existing businesses that do not qualify for traditional funding sources.

Basis of presentation

The Fund follows Financial Accounting Standards Board (FASB) Accounting Standards Codification 958, "*Not-for-Profit Entities*," as the basis of presentation of its financial statements. Therefore, the Fund reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate net assets without donor restrictions for any purpose.

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, purpose or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources 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.

Cash and cash equivalents

The Fund considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash is not considered a cash equivalent.

Restricted cash

Restricted cash consists of cash restricted for loan pool restrictions.

Certificates of Deposit

At September 30, 2024 and 2023, certificates of deposit not considered cash or cash equivalents totaled $114,317 and $379,789, respectively. These entire balances are restricted for loan pool restrictions at September 30, 2024 and 2023, respectively, as discussed in Note 2. The Fund has identified this class of investment as low risk. Certificates of deposit are purchased by the Fund to help avoid cash balances in excess of federal insurance limits.

Receivables

Receivables represent amounts due from governmental entities. These are receivables related to grants, contributions, and sales tax.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans receivable

Loans receivable are stated at the unpaid principal amount reduced by the allowance for loan losses. Interest on the loans is calculated using the simple interest method on daily balances of the gross principal amount outstanding.

Property and equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance or repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Fund reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2024 and 2023.

Revenue recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated services and in-kind contributions

Volunteers contribute time to the Fund's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Fund records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended September 30, 2024 and 2023, respectively.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising costs

Advertising costs are expensed as incurred, and approximated \$17,979 and \$22,799 for the years ended September 30, 2024 and 2023, respectively.

Income taxes

The Fund is organized as a nonprofit corporation in accordance with the laws of the State of Utah and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Fund is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Fund is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Fund has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Fund believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Fund would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, 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 reporting period. Actual results could differ from those estimates and those differences could be material.

Financial instruments and credit risk

The Fund manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Fund has not experienced losses in any of these accounts. Credit risk associated with grants and other receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and others supportive of the Fund's mission.

The Fund's loans receivable is comprised of loans to small business owners who are unable to obtain funding through traditional sources. Therefore, the loans carry a greater risk than traditional receivables. The Fund's credit committee approves loans based on the applicant's business plan and other qualifications. Accordingly, the Fund's management and credit committee perform ongoing credit evaluations of its customers and maintain an allowance for possible loan losses which, when realized, have been within the range of management's expectations.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for loan losses

The allowance for loan losses is based on management's periodic evaluation of the loans receivable portfolio and reflects an amount that, in management's opinion, is adequate to absorb at least 20% of the loan losses in the general portfolio and 100% of loan losses related to the Salt Lake City and All Area Funds. When a loan receivable from the general loan pool is written off, 20% of the portion of the loan receivable that is funded from the general loan pool is charged against the allowance for loan losses and the remaining 80% is recorded as a reduction to notes payable, as discussed in Note 6.

Salt Lake City, together with the Fund, provides funding for qualified loans originating in Salt Lake City. Funding for these loans is split evenly between Salt Lake City grant funds and the general loan pool up to $20,000, with any loan funds from $20,000 to $25,000 also funded from Salt Lake City grant funds. As the funds received from Salt Lake City are recorded as net assets with donor restrictions (Note 7), the Fund absorbs 100% of the losses on the Salt Lake City portion of these loans. The allowance for loan losses provides for the additional loss exposure on these loans. Losses on the portion of these loans funded by the general pool are treated the same as all other losses in the general pool, as described above.

The U.S. Small Business Administration (SBA) loaned the Fund money to make microenterprise loans for amounts totaling up to $50,000 each. The Fund absorbs 100% of the losses on the SBA loan program. The allowance for loan losses provides for the additional loss exposure on these loans.

Salt Lake County provides Community Development Block Grant (CDBG) funding for certain qualified loans originating in Salt Lake County, as discussed in Note 8. Effective with the July 1, 2007, grant agreement between the Fund and Salt Lake County, all loans issued with funds from Salt Lake County are treated as serviced loans by the Fund.

Additional funding through a bank line-of-credit and various notes payable is provided for general loans, as discussed in Notes 5 and 6, with the Fund bearing 100% of the losses on these loans.

In evaluating the portfolio, management considers a number of factors, including prior loan loss experience and current economic conditions. Management believes that the allowance for loan loss is adequate.

The activity in the allowance for loan losses for the years ended September 30, 2024 and 2023 is as follows:

	2024	2023
Beginning balance	$ 712,619	$ 712,619
Estimated loan losses	339,122	225,563
Less loans receivable charge-offs	(339,122)	(225,563)
Other adjustments	-	-
	$ 712,619	$ 712,619

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans receivable charge-offs

Loans are charged off based on management's ongoing review of delinquent accounts and related payment history. Loans are reviewed on a case-by-case basis to determine the likelihood of collectability of delinquent accounts. Management then provides recommendations to the Board of Directors for final approval of all loans charged off. During the years ended September 30, 2024 and 2023, the Board of Directors approved charge offs allocated as follows:

	2024	2023
The Fund	$ 339,122	$ 225,563
	$ 339,122	$ 225,563

Interest revenue on delinquent loans receivable

The Fund does not accrue interest revenue on delinquent loans receivable.

Loan origination fees

The Fund typically charges its borrowers an origination fee of 1% of the loan balance for each year in the term of the loan on all loans except SBA loans. Borrowers are charged a flat origination fee of 3%, regardless of the term length, on all SBA loans. Origination fees are amortized and recorded as revenue over the life of the loans.

2. LOAN POOL RESTRICTIONS

The Fund maintains cash and cash equivalents, government securities and certificates of deposit in order to comply with loan covenants and grant agreements. These covenants and agreements require that the Fund maintain cash on deposit of at least 20% of the outstanding general loans receivable balance and 15% of the outstanding SBA loans receivable balance, and to use loan pool and grant proceeds only to issue new loans to Fund customers. Restrictions of cash and certificates of deposit as of September 30, 2024 and 2023 were as follows:

	2024	2023
Loan loss reserve	$ 105,955	$ 75,220
Loan pool	640,448	897,662
	$ 746,403	$ 972,882

3. LOANS RECEIVABLE

Loans receivable consist of loans made to individuals in the normal course of business. These loans range from $6,000 to $50,000. Loans are due over a period ranging from 4 months to 6 years, interest ranging from 0.00% to 12.50%. During the years ended September 30, 2024 and 2023 the Fund approved 29 and 35 new loans, representing $309,779 and $1,312,465, respectively.

The Fund is acting as the loan servicer for the Salt Lake County CDBG fund totaling $38,643 and $38,943 at September 30, 2024 and 2023, respectively. Besides the loan origination function, the Fund's duties with respect to these loans receivable are limited to collection services for a fee. The Fund does not bear any economic risk of loss for these loans and is not the legal owner. Accordingly, the Fund has not recorded these loans in the accompanying financial statements. The amount received by the Fund from Salt Lake County is subject to change each year.

4. LAND, BUILDINGS AND EQUIPMENT

A summary of land, buildings and equipment at September 30, 2024 and 2023 is as follows:

	2024	2023
Land	$ 54,200	$ 54,200
Buildings	435,968	435,968
Furnishings and equipment	56,289	56,289
	546,457	546,457
Less accumulated depreciation	(364,307)	(347,123)
	$ 182,150	$ 199,334

Depreciation expense amounted to $17,184 and $19,037 for the years ended September 30, 2024 and 2023, respectively.

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5. NOTES PAYABLE

Notes payable consist of the following at September 30:

	2024	2023
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note bears interest at 0.75% during the first year and future interest will be charged at 2.75% or 1.50%, depending on average loan size. No payments of principal or interest are required during the first 12 months of the loan; however, interest does accrue and will be added to the principal due thereafter in regular installments. This note matures in October 2028.	$ 470,728	$ 581,556
The Fund has a note payable to a bank which was used to increase its loan pool. The note bears interest at 2.00% with quarterly payments required until it matures in March 2024.	-	87,500
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note does not bear interest or require principal payments in the first year and future interest will be charged at 1.50% or 0.25%, depending on average loan size. This note matures in September 2025.	48,376	92,699
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note does not bear interest or require principal payments in the first year and future interest will be charged at 2.00% or 0.75%, depending on average loan size. This note matures in June 2027.	572,263	671,029
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note does not bear interest or require principal payments in the first year and future interest will be charged at 1.25% or 0.00%, depending on average loan size. This note matures in October 2026.	173,611	256,945

5. NOTES PAYABLE (Continued)

	2024	2023
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note bears interest at 2.00% during the first year and future interest will be charged at 4.00% or 2.75%, depending on average loan size. No payments of principal or interest are requested during the first 12 months of the loan; however, interest does accrue and will be added to the principal due thereafter in regular installments. This note matures in July 2033.	294,890	300,000
The Fund has a note payable to the U.S. Small Business Administration (SBA) which was used to increase its loan pool. The note does not bear interest or require principal payments in the first year and future interest will be charged at 0.50% or 0.00%, depending on average loan size. This note matures in May 2031.	384,615	442,308
The Fund has a note payable to a bank which was used to increase its loan pool. The note bears interest at 3.50% with quarterly interest only payments required until November 2023, at which time the entire note payable is due. Prior to maturity date, the note term can be extended by two years at the option of the Fund.	-	200,000
	$ 1,944,483	$ 2,632,037

Future maturities of notes payable are as follows:

Year Ending September 30,	
2025	$ 425,603
2026	385,333
2027	304,892
2028	297,947
2029	214,530
Thereafter	316,178
	$ 1,944,483

6. LONG-TERM DEBT – REVOLVING LOAN FUND

The Fund obtains financing through a number of financial institutions. The notes associated with this financing do not have fixed expiration dates and may only be called during the month of September each year. The notes require payment of interest quarterly on the adjusted loan balances. Interest accrues at 6%, or the discount window rate in effect on the first day of the calendar quarter plus 50 basis points, whichever is less. Average interest rates for the years ended September 30, 2024 and 2023 were 5.94% and 4.94%, respectively. In the event that a note is called by one of the participating financial institutions, any undisbursed loan proceeds are immediately due to the financial institution which called the loan, and the remainder of the note amount is due to the financial institution as payments are collected on loans receivable.

Under the revolving loan fund agreement with such financial institutions, when a loan receivable is written off by the Fund, that portion of the note payable funded by revolving loan funds is reduced pro rata by 80% of the loan receivable being written off. The remaining 20% of the revolving loan funds balance in the note payable is charged against the allowance for loan losses.

7. NET ASSETS

Net assets consist of the following at September 30, 2024 and 2023:

	2024	2023
Net assets without donor restriction		
Undesignated	$ 123,361	$ 715,446
Net assets with donor restriction		
Salt Lake City - revolving loan fund	-	-
	-	-
	$ 123,361	$ 715,446

8. COMMUNITY DEVELOPMENT BLOCK GRANTS

Historically, the Fund has been allocated Community Development Block Grants from Salt Lake County (the County). When a loan is extended to an individual under the Salt Lake County Grant, the Fund requests reimbursement from the County. Under the terms of the grant agreement, the Fund acts only as an originator and servicer of loans issued with funds from the grant. Collections of interest income and principal from borrowers are required to be remitted back to the County for any new loans issued as well as loans existing at July 1, 2007 that had been issued under the terms of previous grant agreements. In connection with the grant terms, the Fund may be paid administrative fees, however the Fund did not record any fee revenue for the years ended September 30, 2024 and 2023.

At September 30, 2024 and 2023, the Fund serviced loans totaling $38,642 and $38,942 on behalf of the County.

9. RELATED PARTY TRANSACTIONS

Certain members of the Fund's Board of Directors are employed by lenders who have provided loans to the Fund.

10. UNEARNED REVENUE

The following reflects the Fund's unearned revenue balances:

	2024	2023
UATF	$ 35,514	$ 54,637
	$ 35,514	$ 54,637

In 2010 the Utah Assistive Technology Foundation (UATF) financed a revolving loan fund specifically to assist people with disabilities to obtain financing through the Fund and was reported under the revolving loan fund in the statement of financial position. In June of 2018, UATF converted the balance of the previous revolving loan fund to assist future borrowers of the Fund. As a result of this conversion the balance is now reported as unearned revenue in the statement of financial position. As a result of UATF's requirements the Fund will recognize revenue from the unearned revenue account as the following occurs:

> When the Fund pays the origination fees, recording fees or a rate buydown fee to reduce the rate from Prime plus 4% to Prime plus 2% over the life of the loan for individuals that qualify as a person with disabilities.
>
> When the UATF has an allocable share of a loan receivable write off. This share is determined based upon the original split of funding between the general loan pool and the UATF revolving loan fund. The Fund would absorb 50% of the losses on the first $10,000 (loaned by the general loan pool) and then a proportionate share on the loan balance exceeding $10,000. The Fund managed $63,978 in loans receivable applicable to the UATF revolving loan fund that is eligible for recognition if a write off occurs in the future.

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Fund's financial assets as of September 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

Financial assets:	
Cash and cash equivalents	$ 300,331
Restricted cash	632,086
Certificates of deposit	114,317
Receivables	19,210
Financial assets, end of year	1,065,944
Less: assets unavailable for general expenditures within one year	(746,403)
Financial assets available to meet cash needs for general expenditures within one year	$ 319,541

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report and noted the following:

- The Fund completed the sale of its building on December 23, 2024, at a gross sales price of $1,050,000. The Fund executed lease agreements with the buyer to rent part of the space as follows: 12/23- 4/30/25 – Free Rent; 5/1/25-4/30/26 - $2,000/month; 5/1/26-4/30/27 (the Fund's option) - $2,080/month.

- The Fund completed two portfolio sales in the six months following FYE 9/30/24 as follows: A contingent loan sale of 12 loans at par on 11/22/24 for $288,879, with final closing on 2/26/25. A loan sale of 6 loans at 98% of par on 3/31/25 for $142,967. Both sales were executed with Scale Link, DBA of Great Rivers Community Trust. Scale Link is a broker that intends to resell the loans to interested parties at a premium, which will then be shared with the Fund when the resell occurs.

- Community Development Block Grant – Salt Lake County (Note 8). This agreement was terminated on 2/12/25.