

**TEXAS COMMUNITY CAPITAL, INC.**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**

## **TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT.....	1
-----------------------------------	---

### **FINANCIAL STATEMENTS**

Statements of Financial Position.....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	6
Statements of Cash Flows .....	8
Notes to Financial Statements.....	9

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Texas Community Capital  
Austin, Texas

We have audited the accompanying financial statements of Texas Community Capital, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 referred to above present fairly, in all material respects, the financial position of Texas Community Capital, Inc. as December 31, 2023 and 2022, and for the years then ended, and the results of its operations 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. 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 Texas Community Capital, Inc. 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 Texas Community Capital, 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Texas Community Capital, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Texas Community Capital, 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.

*Binder, Chappell, Morrison & Co., P.C.*

Austin, Texas

June 20, 2024

## FINANCIAL STATEMENTS

**TEXAS COMMUNITY CAPITAL, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2023 and 2022

	<u><b>2023</b></u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents:		
Unrestricted	\$ 256,462	\$ 320,420
Designated and restricted for loan funds	135,768	130,760
	<u>392,230</u>	<u>451,180</u>
Grants receivable	12,500	10,000
Interest receivable and other	3,001	2,031
Prepaid expenses	5,763	9,003
Total current assets	<u>413,494</u>	<u>472,214</u>
Non-current assets		
Notes receivable, net current portion	150,000	150,000
<b>Total assets</b>	<u><u>\$ 563,494</u></u>	<u><u>\$ 622,214</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 38,015	\$ 46,115
Current portion of long-term debt	-	150,000
Total current liabilities	<u>38,015</u>	<u>196,115</u>
Long-term debt, net current portion	150,000	-
Total liabilities	<u>188,015</u>	<u>196,115</u>
Net assets		
Without donor restrictions	41,479	152,099
With donor restrictions	334,000	274,000
Total net assets	<u>375,479</u>	<u>426,099</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 563,494</u></u>	<u><u>\$ 622,214</u></u>

See accompanying Notes to Financial Statements.

**TEXAS COMMUNITY CAPITAL, INC.****STATEMENTS OF ACTIVITIES**

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grant fund revenue	\$ -	\$ 60,000	\$ 60,000
Loan fees	3,678	-	3,678
CLC licensing fees	27,500	-	27,500
Contributed goods and services	-	-	-
Interest income	1,117	-	1,117
Other income	-	-	-
Net assets released from donor imposed restrictions	-	-	-
<b>Total revenues and other support</b>	<b>32,295</b>	<b>60,000</b>	<b>92,295</b>
<b>EXPENSES</b>			
Program services	96,556	-	96,556
Supporting services:			
Management and general	35,994	-	35,994
Fund raising	10,365	-	10,365
<b>Total expenses</b>	<b>142,915</b>	<b>-</b>	<b>142,915</b>
<b>CHANGE IN NET ASSETS (decrease)</b>	<b>(110,620)</b>	<b>60,000</b>	<b>(50,620)</b>
<b>NET ASSETS</b>			
Beginning of year	152,099	274,000	426,099
<b>End of year</b>	<b>\$ 41,479</b>	<b>\$ 334,000</b>	<b>\$ 375,479</b>

See accompanying Notes to Financial Statements.

**TEXAS COMMUNITY CAPITAL, INC.**

STATEMENTS OF ACTIVITIES - Continued

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grant fund revenue	\$ -		\$ -
Loan fees	2,600	-	2,600
CLC licensing fees	25,240	-	25,240
Contributed goods and services	50,000	-	50,000
Interest income	9,100	-	9,100
Other income	1,689	-	1,689
Net assets released from donor imposed restrictions	-	-	-
<b>Total revenues and other support</b>	<u>88,629</u>	<u>-</u>	<u>88,629</u>
<b>EXPENSES</b>			
Program services	85,906	-	85,906
Supporting services:			
Management and general	22,563	-	22,563
Fund raising	-	-	-
<b>Total expenses</b>	<u>108,469</u>	<u>-</u>	<u>108,469</u>
<b>CHANGE IN NET ASSETS (decrease)</b>	(19,840)	-	(19,840)
<b>NET ASSETS</b>			
Beginning of year	<u>171,939</u>	<u>274,000</u>	<u>445,939</u>
<b>End of year</b>	<u><u>\$ 152,099</u></u>	<u><u>\$ 274,000</u></u>	<u><u>\$ 426,099</u></u>

See accompanying Notes to Financial Statements.



**TEXAS COMMUNITY CAPITAL, INC**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2023

	Supporting Services			Total
	Program Services	Management & General	Fundraising	
<b>EXPENSES</b>				
Professional fees	\$ 66,232	\$ 28,974	\$ 10,365	\$ 105,571
Insurance	12,426	1,380	-	13,806
Occupancy	7,560	3,240	-	10,800
Contract services	5,250	1,750	-	7,000
Interest expense	2,531	-	-	2,531
Travel and mileage	1,064	118	-	1,182
Web services	850	-	-	850
Meals and lodging	480	54	-	534
Filing and registration fees	-	440	-	440
Conference and meetings	125	-	-	125
Bank Fees	30	31	-	61
Miscellaneous	8	7	-	15
<b>Total expenses</b>	<u>\$ 96,556</u>	<u>\$ 35,994</u>	<u>\$ 10,365</u>	<u>\$ 142,915</u>

See accompanying Notes to Financial Statements.

**TEXAS COMMUNITY CAPITAL, INC**

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended December 31, 2022

		Supporting Services		
	Program Services	Management & General	Fundraising	Total
<b>EXPENSES</b>				
Professional fees	\$ 54,582	\$ 15,768	\$ -	\$ 70,350
Insurance	7,938	2,628	-	10,566
Occupancy	8,550	1,350	-	9,900
Contract services	10,045	2,430	-	12,475
Interest expense	3,921	-	-	3,921
Travel and mileage	-	110	-	110
Meals and lodging	246	40	-	286
Bank fees	1	40	-	41
Miscellaneous	332	10	-	342
Supplies	291	187	-	478
<b>Total expenses</b>	<u>\$ 85,906</u>	<u>\$ 22,563</u>	<u>\$ -</u>	<u>\$ 108,469</u>

See accompanying Notes to Financial Statements.

**TEXAS COMMUNITY CAPITAL, INC.**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2023 and 2022

	<u><b>2023</b></u>	<u>2022</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets (decrease)	\$ (50,620)	\$ (19,840)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets		
Grants receivable	(2,500)	2,500
Interest receivable and other	(970)	(1,568)
Prepaid expense	3,240	(4,486)
Increase (decrease) in operating liabilities		
Accounts payable	(8,100)	(4,833)
Deferred interest revenue	-	-
Net cash provided by operating activities	<u>(58,950)</u>	<u>(28,227)</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Net cash provided by investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Loan proceeds received	-	95,645
Repayment of loan funds	<u>-</u>	<u>(56,835)</u>
Net cash provided by financing activities	<u>-</u>	<u>38,810</u>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(58,950)	10,583
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
Beginning of year	<u>451,180</u>	<u>440,597</u>
<b>End of year</b>	<u><u>\$ 392,230</u></u>	<u><u>\$ 451,180</u></u>
Supplemental Information		
Interest paid	<u><u>\$ 2,531</u></u>	<u><u>\$ 3,921</u></u>

See accompanying Notes to Financial Statements.

**TEXAS COMMUNITY CAPITAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2023 and 2022**

---

**NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Organization

Texas Community Capital (the “Organization” or “TCC”) was incorporated in 2004 and is a non-profit lending intermediary providing loan products and development services to Texas CDCs, CDFIs and other community development organizations. Conceptualized and initiated by the Texas Association of Community Development Corporations (TACDC) and in partnership with the Texas State Affordable Housing Corporation (TSAHC), TCC’s purpose is to provide loan and investment products, development services, and other related activities to Community Development Financial Institutions (CDFIs), community-based non-profit organizations and similar organizations, and the low-to-moderate income households they serve. The mission of the Corporation is to provide specialized loan and investment products and services that promote economic and community development in underserved Texas communities to enhance the quality of life of low-to-moderate income persons. TCC’s main strategic focus is an employer-based small dollar loan program to serve low to moderate income households. TCC began issuing loans in 2015.

Texas Association of Community Development Corporations (TACDC) is an affiliated organization with Texas Community Capital (TCC). TACDC appoints one third of the Board of Directors for TCC. The Organizations share board of director members.

The Organization earns revenue from processing and servicing loans to CLC local lenders and interest collected on all loans.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization believes it is no longer subject to examination by the IRS for years prior to 2020.

Small Dollar Loan Program

The Community Loan Center Affordable Small-Dollar Loan Program (CLC) is a viable social enterprise for CLC local lenders to partner with employers in their service territory to offer small-dollar (up to \$1,000) short-term (up to one year) loans to employees, with the goal of helping borrowers meet current and ongoing financial obligations and achieve a sense of security in their financial future. TCC is the network coordinator of the program that assists in recruiting organizations to become CLC local lenders and marketing the program to area employers.

The CLC program is offered at no cost to participating employers. TCC receives an annual licensing fee from the local lenders, and a nominal fee for each loan funded. Local lenders receive a one-time processing fee from borrowers and earn interest from the loans.

Summary of Significant Accounting Policies

**Accounting Estimates:** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TEXAS COMMUNITY CAPITAL, INC.  
NOTES TO FINANCIAL STATEMENTS - Continued  
Years Ended December 31, 2023 and 2022

---

**NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – continued

**Accounting Method:** The Organization uses the accrual basis method of accounting. Using this method of accounting, revenues and support and accounts receivable are reported when funds are considered earned, regardless of when cash is received. Expenses and accounts payable are reported when an obligation is incurred, regardless of when cash is disbursed.

**Cash and Cash Equivalents:** The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents.

**Net Assets Classes:** The Organization reports the following net assets classes:

***Net Assets Without Donor Restrictions:*** These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. While these resources are reported as unrestricted, an organization manages them in compliance with its exempt purposes, governing board designations, legal requirements, and contractual obligations.

***Net Assets With Donor Restrictions:*** These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restrictions expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

**Pledges receivable:** The Organizations pledges are valued using an allowance for uncollectible accounts. Management periodically reviews the collectability of accounts, and if applicable, provides an allowance for estimated uncollectible amounts. The allowance for uncollectible accounts is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

**Allocation of Costs:** The Organization allocates common costs such as office expenses, supplies, etc. between program services, management and general, and fund raising based on management's judgment of the costs related to the activities. Certain management and general costs are absorbed by a related organization. The allocation of costs is reviewed periodically, and the allocations revised, if necessary, to reflect changes in the activities of the Organization. Allocations reported in the financial statements are considered accounting estimates. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

**Subsequent Events:** Management has evaluated subsequent events through the date of the *Independent Auditor's* Report, which is the date the financial statements were available to be issued.

**TEXAS COMMUNITY CAPITAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**Years Ended December 31, 2023 and 2022**

---

**NOTE 2: CASH AND CASH EQUIVALENTS**

The Organization's cash and cash equivalents include amounts that are either board designated or temporarily restricted by donors for specific purposes. At December 31, 2023 and 2022, designated and restricted cash and cash equivalents consisted of the following:

	<u>2023</u>	<u>2022</u>
<b>Designated</b>		
Loan funding	\$ 13,000	\$ 13,000
<b>Restricted</b>		
Loan funding	<u>122,768</u>	<u>117,760</u>
	<u><u>\$ 135,768</u></u>	<u><u>\$ 130,760</u></u>

**NOTE 3: CONCENTRATIONS AND CREDIT RISK**

During 2023 and 2022, approximately 60% and 50%, respectively, of the Organization's funding was provided by in-kind services.

During 2023 and 2022, approximately 30% and 28%, respectively, of the Organization's funding was provided by CLC annual franchise licensing fees.

For accounting purposes, cash balances with a financial institution in excess of Federal Deposit Insurance Corporation (FDIC) coverage are considered a credit risk. The Organization maintains cash balances with a financial institution that, at times, may exceed the institution's FDIC coverage. The Organization maintains its cash balances with a high-quality national financial institution and does not require collateral against its cash balances. At year end December 31, 2023 and 2022, cash balances in excess of federally insured deposits for, TCC, were \$-0- and \$52,194, respectively. The Organization constantly monitors its financial positions with the financial institution and does not anticipate any nonperformance by the institution.

**NOTE 4: NOTE RECEIVABLE FROM / DUE TO CLC**

In 2017, TCC loaned \$200,000 to CLC East Texas for seed and portfolio funding. The note receivable accrues interest at 3.25% annually, with interest only due on the \$100,000 seed loan. Payments are quarterly in the amount of \$813, balloon payment due March 19, 2020. In June 2020 CLC East Texas refinanced the Seed note with an additional \$50,000 to increase the loan to \$150,000, with interest due monthly (\$406.25) starting July 2020 and the entire principle due on June 29, 2022 with an option to extend the principle due until March 19, 2023. The portfolio funding loan in the amount of \$100,000 accrues interest at 3.25% annually, payments of interest only for the first three payments, then principal and interest on \$50,000, quarterly payments in the amount of \$4,008. Balloon balance in the amount of \$49,225 due April 1, 2022.

In October 2020, TCC loaned \$150,000 to Brazos Valley Affordable Housing Corporation broken into three individual loans at \$50,000 each for financing construction on 3 different homes located in Bryan Texas. The note receivable accrues interest at 3.0% annually, with interest only due on each loan monthly. Balloon balance of each \$50,000 loan is due on February 22, 2021.

In November 2020, TCC entered into six loans with NeighborWorks Waco for a total of \$33,300. Each loan has interest receivable monthly with the principle balance of each loan due February 28, 2021. Each loan has an interest rate of 3.0% annual rate.

**TEXAS COMMUNITY CAPITAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**Years Ended December 31, 2023 and 2022**

---

**NOTE 4: NOTE RECEIVABLE FROM / DUE TO CLC**

Details of the maturity of notes receivable reported at year-end are the following:

	<u>2023</u>	<u>2022</u>
Principal amounts due in -		
2022	\$ -	\$ 95,645
2023	150,000	150,000
Total notes receivable	150,000	245,645
Less current portion	(150,000)	(95,645)
Notes receivable, net of current portion	<u>\$ -</u>	<u>\$ 150,000</u>

**NOTE 5: AFFILIATED ORGANIZATION**

An affiliated organization, Texas Association of Community Development Corporation (TACDC) pays certain direct operating costs for the Organization, such as legal fees and travel, and bills the Organization for those costs. TACDC bills the Organization for a portion of staff time and a share of allocated expenses related to providing services to the Organization. In 2023 and 2022, TACDC billed the Organization \$123,807 and \$45,665 for expenses and the Organization paid TACDC \$98,576 and \$45,665 respectively. During 2023 and 2022, TACDC provided \$-0- and \$50,000 of in-kind donation to TCC for services provided but not. The Organization does not meet the criteria of a related party.

**NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS**

During 2023 and 2022, net assets of \$-0- and \$-0-, respectively, were released from accompanying stipulations due to actions of the Organization or through the passage of time. Such amounts are reported as transfers from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. At December 31, 2023 and 2022, TCC had net assets with donor restrictions of \$334,000, which were restricted for funding small dollar loans.

**NOTE 7: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 106,462	\$ 170,420
Receivables, grants	12,500	10,000
Receivables, notes	3,001	2,031
Prepaid expenditures	5,763	9,003
Available without restriction within one year	<u>\$ 127,726</u>	<u>\$ 191,454</u>

As part of our liquidity management plan, we have a policy to structure financial assets to ensure availability as general expenditures, liabilities, and other obligations come due.

**TEXAS COMMUNITY CAPITAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**Years Ended December 31, 2023 and 2022**

---

**NOTE 8: DUE TO COMMUNITY LOAN CENTER CORPORATION**

TCC entered into a licensing and contract services agreement with Community Loan Center Corporation on October 14, 2014 in the amount of \$70,000. Based on the terms of the agreement, the schedule of payments remitted by TCC is based on the enrollment of community loan centers. As of December 31, 2023 and 2022, the remaining balance relating to the agreement was \$13,000 and \$13,000, respectively. The amounts are included in accounts payable. Additionally, as part of the agreement, TCC will receive up to \$6,000 from Community Loan Center Corporation upon the enrollment of community loan centers. This amount is considered conditional, and is not reflected in the financial statements until the centers are enrolled.

**NOTE 9: LONG-TERM DEBT**

Long-term debt reported in the financial statements consists of the following:

	<u>2023</u>	<u>2022</u>
Note payable to Religious Communities Investment Fund dated April 6, 2020, original amount of \$150,000, interest accrues at a rate of 2.0% annually, with interest only payments due until the maturity at April 3, 2023, total principal due in the amount of \$150,000 plus any remaining interest. REFINANCED in 2023.		
Note payable dated April 3, 2023, amount of \$150,000, interest accrues at a rate of 2.25% annually, with interest only payments due until the maturity at April 3, 2026, total principle due in the amount of \$150,000 plus any remaining interest.		
	<u>\$ 150,000</u>	<u>\$ 150,000</u>
Total long-term debt	150,000	150,000
Less current portion	<u>-</u>	<u>-</u>
Long-term debt, net of current portion	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>

Estimated annual maturity due on the long-term debt is the following: 2023- \$-0-; 2024 \$-0-; 2025 \$-0- 2026- \$150,000; thereafter \$-0-. Interest costs incurred and charged to expense during 2023 and 2022 was \$2,531 and \$3,921, respectively.



**TEXAS COMMUNITY CAPITAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**Years Ended December 31, 2023 and 2022**

---

**NOTE 10: FORGIVABLE LOANS**

The Organization provided loans to other Community Loan Centers (CLC's) during 2019. These loans are for the purpose to recruit additional participating employers and promote the Loan Program to employees of these additional employers as these employees require a personal loan. These loans are unsecured, bear no interest, and are forgivable if used in accordance with the loan agreement. In the event the provisions of the loan agreement are not met, the loan is subject to recapture, including interest of 5%. In 2019, TCC issued five loans to BCL of Texas totaling \$50,000 (one for \$15,000, two for \$10,000, and two for \$7,500), and one loan to Community Loan Center of Greater Houston in the amount of \$25,000. In light of the extenuating circumstances due to the effects of COVID, TCC has allowed additional time for these borrowers to meet the conditions included in the forgivable loan agreements. The amount of loans forgiven during December 31, 2023 and 2022 was \$12,500 and \$62,500, respectively. The amount of loans forgivable outstanding at December 31, 2023 and 2022 was \$25,000 and \$37,500, respectively.

**NOTE 11: GRANTS TO OTHER ORGANIZATIONS**

The Organization provided grants to Community Loan Centers in the amount of \$25,000 per grant. These grants are restricted in use for the purpose of recruiting additional participating employers into the CLC small dollar loan program network. For organizations that the grantee discontinues lending through the loan program or fails to make a good faith effort to use the proceeds as intended, a recapture with 5% interest will be applied. At December 31, 2023 and 2022, grants payable in the amount of \$25,000 and \$37,500, respectively was outstanding and due to organizations, and are included in accounts payable.