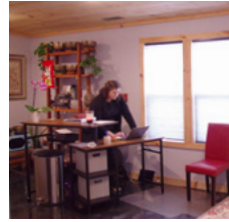
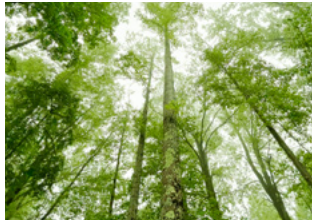
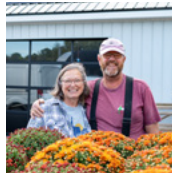


**WOODLANDS
COMMUNITY
LENDERS**
ANNUAL REPORT & RETROSPECTIVE



responding to a need



**10
years**
2012-2022

Responding to a Need

Ten years ago, our region was marked by vacant Main St. buildings and a rapidly deteriorating housing stock. Our senior population was projected to double in the next 10 years and housing services were not ready. Community planning efforts showed that people wanted vibrant downtowns full of locally-owned businesses and jobs and amenities that would entice young people to stay; or come back after college.

Woodlands Development Group and Randolph County Housing Authority decided that a Community Development Financial Institution (CDFI) could bring valuable resources to the region, to help residents and local organizations address some or all of these problems.

Woodlands Community Lenders (Lenders) was certified by the Department of Treasury in 2012 and began lending shortly after—providing higher-risk capital and gap financing to small business and real estate projects that could not obtain commercial financing alone.

10 years later, and with nearly 80 businesses and projects financed, we've learned a few things! As we celebrate a decade of work, we take this time to reflect on 10 aspects of our strategy that have led to success for our borrowers and clients, and positive impact in our communities.



10
years
2012-2022

Table of Contents

2 Job Creation

4 Housing Development

5 Ongoing Investment

6 Downtown Revitalization

7 Technical Assistance

8 Federal Funding

9 Local Bank Support

10 Community Partners

11 Leveraged Funds

12 Woodlands Team

13 2022 Financials





Job Creation



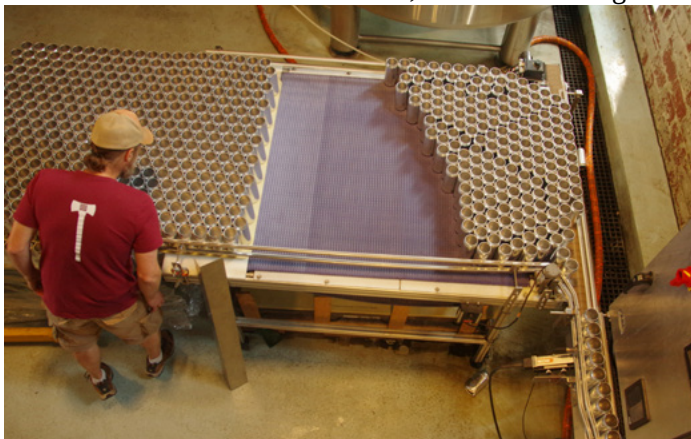
Matt and Ashley Kwasniewski were shopping around for startup capital for their craft brewery idea in 2012, just as we opened the doors of Lenders.

None of the commercial banks they spoke to were interested in the pair of 22 year-olds with no credit history, and the amount they were looking for was more than the brand new Lender's funds could provide. So, "Woodlands introduced us to NCIF," Matt explains.

NCIF, now rebranded as Partner Community Capital or PCAP, is a regional CDFI that serves West Virginia. Matt and Ashley were able to obtain loans from both Lenders and PCAP for their downpayment and borrow the remainder from Grant

County Bank to purchase their first building and get Big Timber Brewing Company up and running.

When the brewery opened in 2013, it was not a major local employer. "We had to do everything ourselves, on a shoestring



In rural areas, according to the Brookings Institute, small businesses account for as much as 65% of the jobs.

budget,” owner Ashley Kwasniewski explained, “I would work six days a week behind the bar and Matt would come in and do a 12-hour brew cycle and then come back at two in the morning to filter beer.”

But now, nine years later, Big Timber distributes products to retailers large and small



throughout the state. They have 16 full-time employees including brewing staff, tap room employees, and a construction crew that will stay on even after a new addition is complete. They will add at least another 6-8 staff when the new tap room and kitchen open.

Despite being the largest city in Lenders’ service area, at just under 7,000 residents Elkins is considered rural by federal standards. According to the Brookings Institute, small businesses account for as much as 65% of the jobs in rural areas, so we see lending to one or two-person, Mom

& Pop type ventures, as absolutely critical to supporting the local job economy.

In a case like Big Timber, our initial loan didn’t support any new hires, but now the business is a major economic force in the region, bringing in revenue from across the state that will soon

provide 24 jobs right in Elkins.

According to Ashley, Big Timber has, “been growing at about 10 - 15% per year, which is about what we can handle.”

Sustainable growth must consider sales, production, and staffing capacities because, as Matt explains, “Elkins is limited in terms of human resources. We have to train new staff from the ground up because there’s not a source for experienced brewing or food production workers we can pull from.”

As the brewery has expanded into their new solar-powered facility and the river-side taproom which, Ashley says, “is everything we ever dreamed of,” nears completion their first location is being repurposed into a butcher shop and farm store for Matt’s brother’s business, The Charm Farm Market and Butcher. Expect job postings before too long from that venture as well. ■



Housing Development



Availability of appropriate housing for residents is a critical component of a functioning local economy. Lenders is often able to provide flexible gap financing to allow housing development of all sorts to proceed.

In this case, flexible financing means enabling a developer to fund the purchase of a dilapidated building that has very little value as collateral, or pay for pre-development services that help determine the feasibility of a project.

Lenders has proven to be one of the best sources of financing for our more complicated and impactful housing development projects

--- Dustin Smith



Downtown mixed-use properties, historic rehabs, infill development, and projects that provide workforce and/or income-restricted affordable housing require multiple funding sources. Often the involvement of a CDFI that can absorb and mitigate a share of the risk can complete a package and drive a project forward.

The Golden Rule Belington, Barbour County

- 10 apartment units
- first floor commercial spaces
- historic rehabilitation
- \$45,000 loan funded initial purchase of building and leveraged a \$2.5 million project.



Ongoing Investment



TipTop no longer needs us. The business now has the resources and collateral to qualify for conventional financing. But back in 2012, when Cade and Carrie Archuleta were purchasing a small coffee business in Tucker County, things were a little different.

The \$5,300 we lent, combined with a larger loan a couple of years later, kicked off and then sustained TipTop through a challenging period of growth.

After purchasing Hypno Coffee in 2012, the Archuletas rebranded as TipTop and eventually settled into a Thomas storefront. In 2019 they expanded, opening a second shop in Elkins.

When they learned that their

Thomas landlords were selling the building, Cade and Carrie managed to purchase a property down the street with market-rate bank financing.

fee shop in West Virginia multiple times by WV Living and is a tourist institution in its own right, attracting coffee aficionados to

After ten years of long hours, hard work, and more investment, TipTop is a local institution, known throughout the state and beyond, as a leader in the industry.

After a complete renovation, they opened the doors of their new shop in what is now perhaps the most eye-catching building on a block of iconic buildings on Thomas' Front Street. The new shop has had a line out the front door since it opened and has precipitated multiple record sales days for the business.

TipTop has been named the best coffee

shop in Randolph and Tucker Counties.

This success benefits more than just the business owners. They support the community by hiring many long-term employees, selling locally produced products to their robust customer base, and helping local organizations, schools, and projects with donations, hosting fundraisers, and other community initiatives.

After ten years of long hours, hard work, and more investment, TipTop is a local institution, known throughout the state and beyond, as a leader in the industry.





Downtown Revitalization

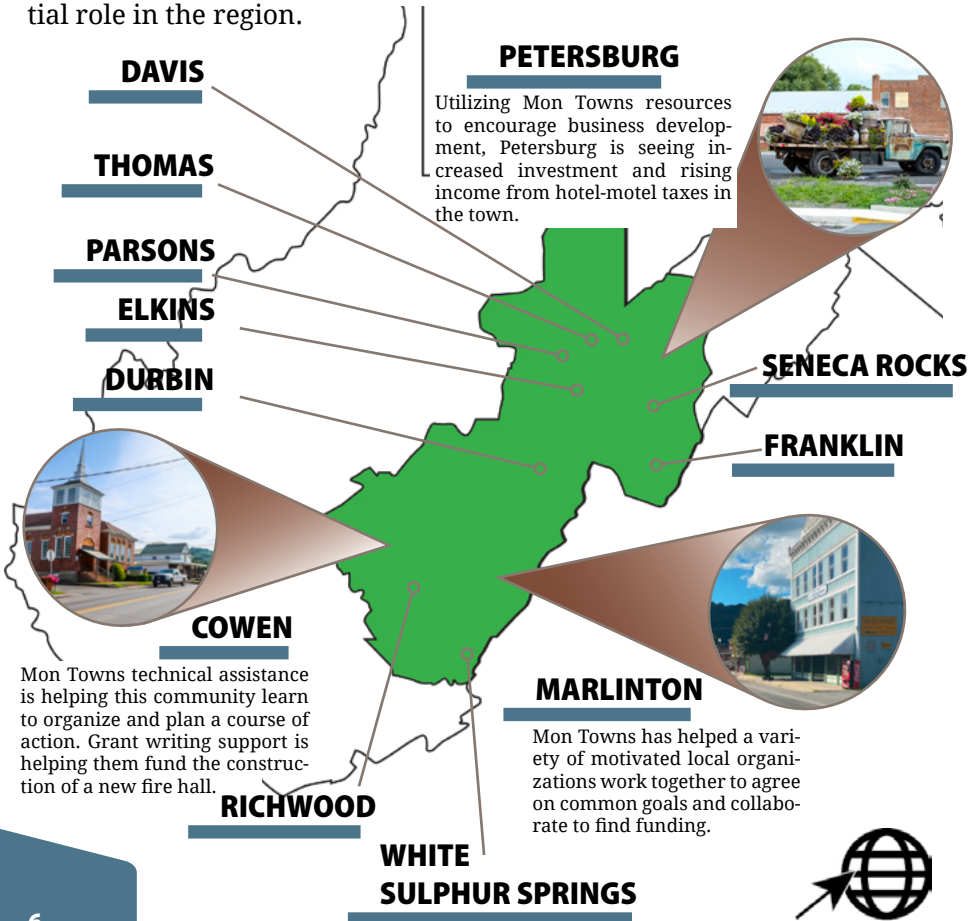


In 2022, nearly 50% of Lenders' portfolio was in real estate projects in the rural downtowns of our region. That same year, we took on the role of fiscal sponsor for a new nonprofit serving 12 towns in the Monongahela National Forest.



Mon Forest Towns hopes to build and maintain a strong regional economy that thrives on sustainable recreation, tourism, healthy landscapes, and active land management while preserving the character of our towns.

Josh Nease is Mon Forest Towns' founding Executive Director and is steering the organization towards greater impact and an increasingly influential role in the region.



Technical Assistance



We offer a wide variety of Technical Assistance (TA) designed to help new or growing businesses or non-profits develop the skills they need to succeed. We've helped 64 businesses in just the past year, contributing over \$200,000 in technical assistance services.

Business planning for the Grand Slam Grill in Parsons made apparent its need for logo development and menu design. Local artist Nanette Seligman, LLC was hired to create these marketing tools using graphic design skills she learned through a technical assistance grant to her business!



Outdoor adventure center, Experience Learning, used Lenders' TA to help the organization develop a strategic plan, envision the infrastructure needed to accomplish their vision, and develop marketing materials to share that vision more widely.

When remote infrastructure workers vacated a makeshift campground in Huttonsville, owner John Bell imagined a full-service campground complete with food service, onsite fishing, archery and a music venue. Marketing material development provided by Lenders will spread the word about Johnny B's Campground.



Lovely Pain Piercing found a vacant storefront in downtown Philippi to house their new business and Lenders was able to contract a local law firm to develop a sublease for the business, enabling them to offer the unused space to another startup entrepreneur.



Federal Funding



1% NON FEDERAL GRANTS TCF (\$54,000)

32% Grants

31% FEDERAL GRANTS

ARC R&R (\$750,000)

ARC POWER (\$300,000)

CDFI FUND (\$450,000)

68% Loans

27% NON FEDERAL LOANS

APPALACHIAN COMMUNITY CAPITAL (\$600,000)

LOCAL BANK POOL (\$700,000)

WOODLANDS (\$5,800)

42% FEDERAL LOANS

USDA RMAP (\$1,000,000)

USDA IRP (\$1,030,000)

THE LOAN POOL

Local Bank Support



As a CDFI focused on small business development, Lenders is a complement to local banks' loan programs, not a competitor.

Hoy Ferguson, President of Davis Trust Company in Elkins explains that, "working with Woodlands Community Lenders allows banks like Davis Trust Company to support growing local businesses while mitigating some of the potential risks associated with a start up or large project."

When Lenders is able to assume some of the risk it, "opens many avenues of financing options for local businesses," according to Ferguson.

Our goal is to increase the bankability of existing businesses and help more small businesses get a foothold and survive in our service area. We fulfill our mission of fostering community revitalization by first providing access to capital and technical assistance. Our most successful clients then graduate to being able to secure their financing needs without our help.

Ferguson says that, "having a local Community Development Financial Institution has allowed Davis Trust Company to help finance many different businesses across our region that otherwise may not have been bankable. Lenders is allowing business owners to enter the market with more education and options which leads to a greater chance of success for both the owner and the financial institution they choose."

As you read through this report, you will notice that many of the businesses featured here have benefited from our ability to work with and combine funding from local banks like Davis Trust Company, Grant County Bank, First Community Bank, Citizens Bank of WV, and other CDFIs like Partner Community Capital. ■



Lenders is allowing business owners to enter the market with more education and options which leads to a greater chance of success for both the owner and the financial institution they choose.

-- Hoy Ferguson



Community Partners



The mission of our county Economic Development Authorities, or EDAs, so closely aligns with Lenders' work that they have become some of our strongest and most dynamic community partners.

We have partnered over the years by referring small businesses to one another for lending and advising, facilitating a workforce housing task force and housing design process, holding small business pitch contests, and collaborating on grant programs.



Woodland's participation in a loan can be the difference between a business becoming reality or remaining just a good idea.

--- Steve Leyh



Director of the Tucker County EDA, Steve Leyh, commented that “Lenders plays a vital role in empowering Tucker County entrepreneurs with technical expertise and facilitating access to capital, especially for those individuals’ facing challenges in securing more traditional loans. Lenders’ participation in a loan can be the difference between a business becoming reality or remaining just a good idea.”

As each county EDA works to retain, grow, and attract new businesses, the capital and services provided by Lenders have helped to help create and sustain jobs and provide tangible economic development. ■

Leveraged Funds



Carla and Jason Kaposy felt compelled to make an investment that could be pivotal in spurring economic development in their hometown of Petersburg, a Mon Forest Town in Grant County with just over 2000 residents.

Their vision involved the preservation and revitalization of The Hermitage Motor Inn, a historic hotel built in 1841 that had fallen into disrepair and no longer offered nightly lodging. The Hermitage has significant cultural and architectural importance to the community and is located on a main thoroughfare in town.

Lenders was able to be a catalyst for the success of this project, offering assistance with Historic Tax Credits and flexible collateral requirements to make this \$3 million project work.

An investment of this size required the participation of multiple community banks and Lenders.

Lenders was able to be a catalyst for the success of the project, offering technical assistance to apply Historic Tax Credits and flexible collateral requirements on equipment financing totaling \$60,000, to make the \$3 million project work. The Hermitage Inn and Taphouse has since created many jobs and provides an unparalleled dining and lodging experience. ■





Woodlands Team



2022-23 Board of Directors:

Sandra Frank, President
Becky McClung, Vice President
Carol Carter, Ph.D., Secretary
Mark Doak, Treasurer
Matt Osborne
Dean Ahern
Robbie Morris

Current Staff:

Dave Clark, Executive Director
Christy Tribble, Chief Financial Officer
Karen Jacobson, Loan Fund Manager
Tena Crites, Loan Officer
Eileen Prosser, Bookkeeper
Marti Jefferson, Business Advisor
Emily Wilson, Program Manager
Katie Wolpert, Communications
Robin Mickett, Operations Manager
Josh Nease, Mon Forest Towns

Past Staff:

Janet Preston, Assistant Director
Heather Hanna, Business Coach
Jennifer Poling, Business Developer
Ashleigh Sickler, Lending Specialist
Anne Jones, Business Coach

2022 Financials

AS OF DECEMBER 31, 2022

STATEMENT OF ACTIVITIES

GRANT REVENUE	\$ 561,325	PROGRAM SERVICES	\$ 457,250
INTEREST INCOME	96,257	MANAGEMENT & GENERAL	129,784
OTHER INCOME	7,200		
TOTAL SUPPORT & REVENUE	\$ 664,782	TOTAL EXPENSES	\$ 587,034
CHANGE IN NET ASSETS		+77,748	
TOTAL NET ASSETS		\$ 2,169,617	

STATEMENT OF FINANCIAL POSITION

ASSETS

UNRESTRICTED CASH	\$ 638,814
RESTRICTED CASH	1,490,344
GRANTS RECEIVABLE	201,185
LOANS RECEIVABLE	2,223,225
PROPERTY & EQUIPMENT	68,555
RIGHT OF USE ASSETS	141,151

TOTAL \$ **4,763,274**

LIABILITIES & NET ASSETS

PAYABLES	\$ 17,336
RIGHT OF USE LIABILITIES	141,151
NOTES PAYABLE	2,435,170
NET ASSETS	
DONOR RESTRICTED	1,147,783
UNRESTRICTED	1,021,834

TOTAL \$ **4,763,274**

Complete audit documents available at woodlandswv.org/audit

Many thanks for ongoing funding support from:

Claude Worthington Benedum Foundation
Appalachian Regional Commission
US Department of Agriculture, Rural Development
WVEDA



Serving Randolph, Barbour, Tucker, Grant, Preston,
Pendleton, Pocahontas, Upshur, Webster Counties



316 Railroad Ave., Suite 310,
Elkins, WV 26241
304.404.2907 woodlandswv.org

