

**AUDITED FINANCIAL STATEMENTS**

**WOODLANDS COMMUNITY LENDERS, INC.**

**FOR THE YEAR ENDED  
DECEMBER 31, 2024**

**WOODLANDS COMMUNITY LENDERS, INC.**

**AUDITED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Woodlands Community Lenders, Inc.  
Elkins, WV

**Opinion**

We have audited the accompanying statement of financial position of Woodlands Community Lenders, Inc. (the Organization) as of and for the year ended December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Report on Summarized Comparative Information**

We have previously audited Woodland Community Lenders, Inc.'s 2023 financial statements. Our report dated June 20, 2024, expressed an unmodified opinion on those audited financial statements based on our audit. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**INDEPENDENT AUDITOR'S REPORT  
(CONTINUED)**

**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 the Organization'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 Organization'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.



Dooley & Vicars  
Certified Public Accountants, L.L.P.

Richmond, Virginia  
June 30, 2025

**WOODLANDS COMMUNITY LENDERS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
**(With Comparative Amounts as of December 31, 2023)**

**ASSETS**

<b>CURRENT ASSETS</b>	<b>2024</b>	<b>2023</b>
Cash	\$ 347,634	\$ 319,885
Cash with Donor Restrictions	1,454,375	1,186,193
Accounts Receivable	10,200	-
Grants Receivable	77,868	142,708
Current Portion of Loan Receivable, Net Current Allowance for Credit Losses of \$27,035	733,661	412,949
<b>Total Current Assets</b>	<b>2,623,738</b>	<b>2,061,735</b>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold Improvements	80,155	80,155
Furniture and Equipment	10,882	10,882
Less: Accumulated Depreciation	(36,787)	(30,183)
<b>Property and Equipment, Net</b>	<b>54,250</b>	<b>60,854</b>
<b>OTHER ASSETS</b>		
Right of Use Asset	105,924	123,823
Certificates of Deposit	856,424	458,978
Loans Receivable, Net of Allowance for Credit Losses of (\$142,553 in 2024 and \$178,754 in 2023)	3,841,542	3,067,839
Less: Current Portion of Loan Receivable	(733,661)	(412,949)
<b>Total Other Assets</b>	<b>4,070,229</b>	<b>3,237,691</b>
<b>Total Assets</b>	<b>\$ 6,748,217</b>	<b>\$ 5,360,280</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	<b>2024</b>	<b>2023</b>
Accounts Payable	\$ 25,336	\$ 5,932
Accrued Expenses	20,001	16,857
Deferred Revenue	327,514	80,000
Notes Payable - Current Portion	88,310	63,799
<b>Total Current Liabilities</b>	<b>461,161</b>	<b>166,588</b>
<b>LONG-TERM LIABILITIES</b>		
Notes Payable	3,159,096	2,432,273
Operating Lease Liability	105,924	123,823
<b>Total Long-term Liabilities</b>	<b>3,265,020</b>	<b>2,556,096</b>
<b>Total Liabilities</b>	<b>3,726,181</b>	<b>2,722,684</b>
<b>NET ASSETS</b>		
Without Donor Restriction	532,290	659,850
With Donor Restriction	2,489,746	1,977,746
<b>Total Net Assets</b>	<b>3,022,036</b>	<b>2,637,596</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,748,217</b>	<b>\$ 5,360,280</b>

The accompanying notes are an integral part of these financial statements

**WOODLANDS COMMUNITY LENDERS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Comparative Amounts as of December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>SUPPORT AND REVENUE</b>		
Grants Revenue	\$ 656,658	\$ 993,708
Rental Income	12,000	12,000
Borrower Fees	20,855	13,176
Investment Income	284,706	137,053
Other Income	30,962	-
	<u>1,005,181</u>	<u>1,155,937</u>
<b>EXPENSES</b>		
Program Services	450,405	575,998
Management and General	170,336	111,960
	<u>620,741</u>	<u>687,958</u>
Increase (Decrease) in Net Assets Without Donor Restriction	<u>384,440</u>	<u>467,979</u>
Increase (Decrease) in Net Assets	384,440	467,979
<b>NET ASSETS</b>		
Beginning of Year	<u>2,637,596</u>	<u>2,169,617</u>
End of Year	<u>\$ 3,022,036</u>	<u>\$ 2,637,596</u>

The accompanying notes are an integral part of these financial statements

**WOODLANDS COMMUNITY LENDERS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
 (With Comparative Amounts as of December 31, 2023)

	Supportive Services			Total 2024	Total 2023
	Program Services	Management and General	Fund Raising		
Salaries	\$ 159,691	\$ -	\$ -	\$ 159,691	\$ 133,505
Contracted Services	101,645	140,810	-	242,455	225,144
Technical Assistance	26,343	-	-	26,343	43,794
Provision for Loan Loss	6,122	-	-	6,122	90,519
Travel and Training	13,493	6,062	-	19,555	25,089
Administrative Office Costs	14,280	6,416	-	20,696	13,606
Employee Benefits	48,984	-	-	48,984	43,102
Office Rent	14,904	6,696	-	21,600	21,800
Depreciation Expense	4,557	2,047	-	6,604	7,701
Interest	38,976	-	-	38,976	54,392
Insurance	2,111	948	-	3,059	2,616
Equipment and Support	14,460	6,497	-	20,957	19,358
Utilities	1,913	860	-	2,773	2,250
Origination and Loan Processing	-	-	-	-	184
Marketing and Advertising	2,926	-	-	2,926	4,898
<b>Total Expenses</b>	<b>\$ 450,405</b>	<b>\$ 170,336</b>	<b>\$ -</b>	<b>\$ 620,741</b>	<b>\$ 687,958</b>

The accompanying notes are an integral part of these financial statements

**WOODLANDS COMMUNITY LENDERS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Comparative Amounts as of December 31, 2023)**

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Cash Received from Donors	\$ 711,298	\$ 1,052,185
Cash Received from Rental Revenue	12,000	12,000
Cash Received from Borrowers	51,817	13,176
Interest and Dividends Received	284,706	137,053
Cash Payments for Salaries and Benefits	(208,675)	(176,607)
Cash Payments to Vendors and Other	(135,400)	(418,197)
Net Cash Provided By (Used In) Operating Activities	<u>715,746</u>	<u>619,610</u>
Cash Flows from Investing Activities		
Purchase of Investments	(397,446)	(458,978)
Net Cash Provided By (Used In) Investing Activities	<u>(397,446)</u>	<u>(458,978)</u>
Cash Flows from Financing Activities		
(Increase)/Decrease in Loans Receivable	(773,703)	(844,614)
Increase/(Decrease) in Notes Payable	751,334	60,902
Net Cash Provided By (Used In) Financing Activities	<u>(22,369)</u>	<u>(783,712)</u>
Net Increase (Decrease) in Cash	295,931	(623,080)
Cash at Beginning of Year	<u>1,506,078</u>	<u>2,129,158</u>
Cash at End of Year	<u>\$ 1,802,009</u>	<u>\$ 1,506,078</u>
 <u>Reconciliation of Cash</u>		
Cash - Unrestricted	\$ 347,634	\$ 319,885
Cash with Donor Restrictions	<u>1,454,375</u>	<u>1,186,193</u>
Total Cash	<u>\$ 1,802,009</u>	<u>\$ 1,506,078</u>

The accompanying notes are an integral part of these financial statements

**WOODLANDS COMMUNITY LENDERS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Comparative Amounts as of December 31, 2023)**  
**(CONTINUED)**

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 384,440	\$ 467,979
Adjustments to Reconcile Change in Net Assets		
Depreciation	6,604	7,701
(Increase) Decrease in:		
Grants Receivable	64,840	58,477
Other Receivables	(10,200)	-
Increase (Decrease) in:		
Accounts Payable	19,404	(3,933)
Accrued Expenses	250,658	89,386
Net Cash Provided By (Used In) Operating Activities	<u>\$ 715,746</u>	<u>\$ 619,610</u>

The accompanying notes are an integral part of these financial statements

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 1: Organization and Mission**

Woodlands Community Lenders, Inc. (the Organization) is a non-profit (501)(c)(3) organization incorporated in the State of West Virginia. The Organization's mission is to foster entrepreneurship and community revitalization by providing access to capital and technical assistance. The Organization was created to provide low interest loans to qualified businesses and commercial property owners in the Randolph, Tucker and Barbour County areas to encourage community development.

**Note 2: Summary of Significant Accounting Policies**

Method of Accounting - The financial statements of Woodlands Community Lenders, Inc., have been prepared on the accrual basis of accounting. Revenues and related assets are recognized when earned and expenses and related liabilities are recognized when the related obligations are incurred.

Basis of Presentation - The financial statements have been prepared in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-for-Profit Organizations. In accordance with ASC 958, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without Donor Restrictions - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. We report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Woodlands Community Lenders, Inc. accounts for contributions received as with or without donor restriction depending on the existence and/or nature of any donor restrictions.

Advertising Costs - Advertising costs are charged to operations when incurred.

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 2: Summary of Significant Accounting Policies (Cont.)**

Functional Allocation of Expenses - The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Program Support and Revenue - The Organization received a majority of its revenues from grants and contributions. The Organization relies on the continued receipt of grants and contributions to provide program services.

Estimates - The preparation of financial statements in accordance 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, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

Depreciation - All purchased property and equipment which have useful life of more than one year are capitalized at cost. The costs of normal maintenance and repairs that do not add to the asset or materially extend asset lives are expensed. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation is provided for in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. Depreciation expense during the years ended December 31, 2024 and 2023, was \$6,604 and \$7,701, respectively.

Subsequent Events - Management has evaluated subsequent events through June 30, 2025, the date on which the financial statements were available to be issued.

Allocation of Joint Costs - The Organization allocates joint costs using a systematic methodology, applied consistently, that results in a reasonable allocation following the criteria of purpose.

Income Taxes - Woodlands Community Lenders, Inc., is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2024. Fiscal years ending on or after December 31, 2021, remain subject to examination by federal and state tax authorities.

Long Term Leases - In accordance with ASC 842, operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities on the balance sheet.

Restatements - Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Current Expected Credit Losses - In accordance with ASC 326-20, an allowance for credit losses has been recognized for a portion of debt assets that are not expected to be collected.

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 3: Cash and Cash Equivalents**

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents as of December 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash - Unrestricted	\$ 347,634	\$ 319,885
Cash with Donor Restrictions	<u>1,454,375</u>	<u>1,186,193</u>
Total	<u>\$ 1,802,009</u>	<u>\$ 1,506,078</u>

**Note 4: Grants Receivable**

Grants Receivable as of December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Appalachian Regional Commission (ARC)	\$ 4,006	\$ -
USDA Rural Microenterprise Assistance Program (RMAP)	37,777	27,202
CDFI Rapid Response Program (RRP)	-	57,481
Partner Community Capital, Inc. (PCAP)	<u>36,085</u>	<u>58,025</u>
Total	<u>\$ 77,868</u>	<u>\$ 142,708</u>

**Note 5: Loans Receivable**

The amount represents loans given by the Organization to certain qualified businesses and commercial property owners to encourage community development. The loans are secured. The Organization had provided an allowance for loan loss of \$6,122 and \$90,519 charged to Provision for Loan Losses expense for the years 2024 and 2023, respectively, and included in the Allowance for Credit Losses account balance on outstanding Loan Receivables. At December 31, 2024 and 2023, the balances due are as follows:

	<u>2024</u>	<u>2023</u>
Loans Receivable	\$ 4,011,130	\$ 3,246,593
Less: Allowance for Credit Losses	<u>(169,588)</u>	<u>(178,754)</u>
Net Receivables	3,841,542	3,067,839
Loans Receivable - Current Portion	733,661	412,949
Loans Receivable - Noncurrent	<u>\$ 3,107,881</u>	<u>\$ 2,654,890</u>

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 5: Loans Receivable (Cont.)**

Woodlands Community Lenders (WCL) makes small business loans to our customers, primarily in Randolph, Tucker, and Barbour Counties, West Virginia.

Due to our current loan portfolio size, WCL has determined that all loans fit within our small business loan segment for financial reporting purposes. Loans receivable are stated at the principal amount outstanding, net of allowance for losses. Due to the low level of materiality, interest income and origination fees are recognized when received.

Loans are monitored monthly and placed on a watch list if circumstances warrant.

WCL estimates an allowance for credit losses in accordance with current expected credit loss (CECL) methodology. WCL's management assesses the adequacy of the allowance on a quarterly basis. The level of allowance is based on management's evaluation of historical default and loss experience, current and projected general economic outlook, composition of loan portfolio and other pertinent factors. Loans are evaluated on an individual basis using an internally developed risk rating system.

As of December 31, 2024, all loans receivable were either current or less than 30 days past due, with the exception of seven loans, secured by real estate, in the 31-90 days past due status in the amount of \$158,478. For 2023, all loans receivable were current or less than 30 days past due, except for one loan totaling \$47,398 in the 90 days past due status. One loan was written off in 2024, totaling \$15,288. In 2023, three loans were written off, totaling \$72,522. Two loans written off in years previous to 2024 were recovered, totaling \$15,087.

WCL evaluates loans using the below rating scale:

		<u>2024</u>	<u>2023</u>
Strong	Risk 1	\$ 57,058	\$ -
Low Risk	Risk 2	444,612	275,544
Moderate Risk	Risk 3	2,115,867	2,037,547
High Risk	Risk 4	893,368	210,929
Vulnerable	Risk 5	96,812	149,616
Loss Imminent	Risk 6	-	67,634
Higher Covid Risk	Risk R	401,119	505,323
	Total	<u>\$ 4,008,836</u>	<u>\$ 3,246,593</u>

The above table summarizes the loan portfolio classified by internal credit risk rating as of December 31, 2024 and 2023, respectively.

The following is an analysis of the allowance for credit losses for the years ending December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 178,754	\$ 160,757
Provision charged to operations	6,122	90,519
Less charge-offs	(15,288)	(72,522)
Ending Balance	<u>\$ 169,588</u>	<u>\$ 178,754</u>

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 6: Notes Payable**

The Organization had seven notes payable at December 31, 2024 totaling \$3,247,406 and six notes payable at December 31, 2023 totaling \$2,496,073. The detail of calculation below represents current portion due within one year using straight-line amortization which is as follows:

	Amounts of Notes Payable	Current Portion	Noncurrent Portion
USDA-Intermediary Relending Program (IRP#1)	\$ 195,534	\$ 9,973	\$ 185,561
USDA-Intermediary Relending Program (IRP#2)	750,000	24,337	725,663
USDA-Intermediary Relending Program (IRP#3)	563,526	-	563,526
Rural Microenterprise Assistance Program	299,759	28,000	271,759
Rural Microenterprise Assistance Program - CLF	438,587	26,000	412,587
Appalachian Community Capital	500,000	-	500,000
RK Mellon Foundation Loan	500,000	-	500,000
Ending Balance	<u>\$ 3,247,406</u>	<u>\$ 88,310</u>	<u>\$ 3,159,096</u>

The first note payable is for a loan of \$281,000 availed from the USDA-Rural Development under the Intermediary Relending Program (IRP#1). The loan carries an interest rate of 1% and is repayable in 27 equal annual installments starting from December 13, 2018. The total loan amount was fully drawn, and the outstanding amount under this loan as of December 31, 2024 and 2023 was \$195,534 and \$205,409, respectively.

The second note payable is for a loan of \$750,000 availed from the USDA-Rural Development under the Intermediary Relending Program (IRP#2). The loan carries an interest rate of 1% and is repayable in 27 equal annual installments starting from April 8, 2025. The outstanding amount under this loan as of December 31, 2024 and 2023 was \$750,000 and \$750,000, respectively.

The third note payable is for a loan of \$566,772 availed from the USDA-Rural Development under the Intermediary Relending Program (IRP#3). The loan carries an interest rate of 1% and is repayable in 30 equal annual installments starting from June 7, 2023. The total outstanding amount under this loan as of December 31, 2024 and 2023 was \$563,526 and \$250,000, respectively.

During 2015, the Organization obtained additional financing from the USDA-Rural Development of the Rural Microenterprise Assistance Program (RMAP) amounting to \$500,000. The loan carries an interest rate of 2% and is repayable in 216 equal monthly installments starting from December 31, 2016. The total loan amount was fully drawn, and the outstanding amount under this loan as of December 31, 2024 and 2023 was \$299,759 and \$327,055, respectively.

During 2019, the Organization obtained additional financing from the USDA-Rural Development of the Rural Microenterprise Assistance Program (RMAP) amounting to \$500,000. The loan carries an interest rate of 2% and is repayable in 216 equal monthly installments starting from November 9, 2021. The outstanding amount under this loan as of December 31, 2024 and 2023 was \$438,587 and \$463,609, respectively.

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 6: Notes Payable (Cont.)**

During 2023, the Organization entered into an agreement with Appalachian Community Capital for \$500,000 to make project loans to small business. The loan carries an interest rate of 2.78% and is to be fully repaid by December 15, 2027. The outstanding amount under this loan as of December 31, 2024 and 2023 was \$500,000.

During 2024, the Organization entered into an agreement with Richard King Mellon Foundation for \$500,000 to support new and growing small businesses. The loan carries an interest rate of 1% and is to be fully repaid by December 31, 2029. The outstanding amount under this loan as of December 31, 2024 and 2023 was \$500,000 and \$0, respectively.

The estimated future maturities of all notes payable as of December 31, 2024, are as follows:

2025	\$	88,310
2026		90,769
2027		610,532
2028		112,221
2029		613,938
Thereafter		1,731,636
		<u>\$ 3,247,406</u>

**Note 7: Property and Equipment**

Property and equipment is stated at cost. Depreciation on property and equipment is provided over the

	Balance 12/31/2023	Additions	Retirements/ Transfers	Balance 12/31/2024
Leasehold Improvements	\$ 80,155	\$ -	\$ -	\$ 80,155
Furniture and Equipment	10,882	-	-	10,882
Total Historical Cost	91,037	-	-	91,037
Less: Accumulated Depreciation:	(30,183)	(6,604)	-	(36,787)
 Net Property and Equipment	 \$ 60,854	 \$ (6,604)	 \$ -	 \$ 54,250

**Note 8: Accrued Expenses**

At December 31, 2024 and 2023, accrued expenses consist of the following:

	2024	2023
Accrued Salaries	\$ 5,519	\$ 2,781
Accrued Payroll Taxes	3,042	2,942
Accrued Compensated Absences	5,408	2,952
Accrued Interest	5,625	7,934
Loan Closing Escrow	407	248
	<u>\$ 20,001</u>	<u>\$ 16,857</u>

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 9: Accounts Payable**

At December 31, 2024 and 2023, accounts payable consist of the following:

	2024	2023
Other Vendors	\$ 25,336	\$ 5,932
	<u>\$ 25,336</u>	<u>\$ 5,932</u>

**Note 10: Interest Expense**

The total interest cost incurred during the years ended December 31, 2024 and 2023 was \$38,976 and \$54,392, respectively.

**Note 11: Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes as of December 31:

	2024	2023
Purpose restrictions	\$ 2,489,746	\$ 1,977,746
Total	<u>\$ 2,489,746</u>	<u>\$ 1,977,746</u>

**Note 12: Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of interest bearing cash deposits in financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000.

As of December 31, 2024 and 2023, the Organization's cash balances are as follows:

	Uninsured	FDIC Insured	Collateralized	Total
Citizens Bank of West Virginia	\$ 1,410,993	\$ 250,000	\$ -	\$ 1,660,993
Mountain Valley Bank	-	141,016	-	141,016
December 31, 2024	<u>\$ 1,410,993</u>	<u>\$ 391,016</u>	<u>\$ -</u>	<u>\$ 1,802,009</u>
December 31, 2023	<u>\$ 307,859</u>	<u>\$ 500,000</u>	<u>\$ 698,219</u>	<u>\$ 1,506,078</u>

**Note 13: Availability and Liquidity**

	2024	2023
Cash and Cash Equivalents	\$ 347,634	\$ 319,885
Restricted Cash	1,454,375	1,186,193
Accounts Receivable	10,200	-
Grants Receivable	77,868	142,708
Loans Receivable - Current	<u>733,661</u>	<u>412,949</u>
Total Financial Assets	<u>2,623,738</u>	<u>2,061,735</u>

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 13: Availability and Liquidity (Cont.)**

Less Amounts Not Available to be Used Within One Year:

Deferred Revenue	\$ 1,296	\$ -
Donor Restricted Net Assets (Net Noncurrent Cert. of Deposits)	<u>1,633,322</u>	<u>1,520,621</u>
Total Nonavailable Funds	<u>1,634,618</u>	<u>1,520,621</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 989,120</u>	<u>\$ 541,114</u>

The Organization manages multiple grants. The Organization has adopted an annual budget and manages liquidity as needed. Presented above are the Organization's cash and cash equivalents available within one year of the statement of financial position date to meet cash needs for general expenditures.

**Note 14: Related Party Transactions**

The Organization shares an office with the Woodlands Development Group, Inc. (WDG). The Corporation provides certain administrative services to the Organization.

During the period, the Organization incurred the following expenses for services provided by the Corporation: Contracted Services by WDG \$146,800. At December 31, 2024 and 2023, the Organization is due \$10,000 and \$0, respectively, from WDG. In addition, the Organization has three outstanding business loans to WDG. At December 31, 2024 and 2023, the outstanding balance of the RMAP loan was \$5,678 and \$5,702, respectively.

WDG subleases office space from the Organization. In 2024 and 2023, WDG paid the Organization \$12,000 and \$12,000 respectively for rent.

During 2024, The Organization was a fiscal sponsor for Mon Forest Towns Partnership. As a result, the Organization received \$211,090 in grant income and disbursed \$221,913 in expenses on behalf of Mon Forest Towns Partnership in 2024.

The total net loss for separately fiscally sponsored organizations consists of the following on December 31:

	<u>2024</u>
Mon Forest Towns Partnership	\$ (10,883)
Total Grant Receivable	\$ 36,085

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 15: Employee Benefits**

Employee benefits for the years 2024 and 2023 consist of the following:

	2024	2023
Fringe Benefits	\$ 48,984	\$ 43,102

**Note 16: Allocation of Joint Costs**

The Organization incurred joint costs of \$60,562 and \$108,962 in 2024 and 2023, respectively. These expenses are allocated based on management's assessment of how funds are spent towards the organization's purpose. Expenses were allocated to various functional areas as follows:

	Program	Management and General	2024	2023
Joint Cost	\$ 22,726	\$ 37,836	\$ 60,562	\$ 108,962
Non Joint Cost	427,680	132,500	560,179	578,996
Total	\$ 450,406	\$ 170,336	\$ 620,741	\$ 687,958

**Note 17: Grant Revenue**

The Organization's grant revenues for the years 2024 and 2023 were as follows:

	2024	2023
Appalachian Regional Commission (ARC)	\$ 4,006	\$ -
USDA Rural Microenterprise Assistance Program (RMAP)	101,743	72,487
Rural Community Development Initiative (RCDI)	10,000	-
Community Development Financial Institutions (CDFI)	5,519	119,481
Woodlands Development Group	48,590	25,000
Credit Builders Alliance (CBA)	-	1,800
Claude Worthington Benedum Foundation	1,296	-
SSBCI Restricted Grant	342,290	592,125
Grant Conservation Fund	13,475	50,000
USDA RDBG Grant Fund	-	41,538
Partner Community Capital, Inc. (PCAP)	129,739	91,277
	\$ 656,658	\$ 993,708

**WOODLANDS COMMUNITY LENDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**Note 18: Right-of-Use Asset Lease**

As discussed in Note 2, in 2023 the Company adopted ASC 842. Per the new lease standard, the operating lease with Randolph County Housing Authority (RCHA) is considered a right-of-use asset and has a corresponding lease liability. The lease of property is for a term of ten (10) years beginning May 1, 2020 through April 30, 2030. Rent may increase annually beginning 24 months from the initial lease date, however, said rent increase shall not exceed one percent (1%) in any one year. This agreement calls for monthly payments of \$1,800.

Minimum lease payments are as follows:

2025	\$ 21,600
2026	21,600
2027	21,600
2028	21,600
2029	21,600
Thereafter	7,200
	<u>\$ 115,200</u>
Less: Amount representing interest	<u>(9,276)</u>
Present value of net minimum lease payments	<u>\$ 105,924</u>