NOVOGRADAC & COMPANY LLP®

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES

Consolidated Financial Statements with Report of Independent Auditors
December 31, 2024 and 2023

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES

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Report of Independent Auditors

To the Board of Directors of
Development Fund of the Western Reserve, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Development Fund of the Western Reserve, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Development Fund of the Western Reserve, Inc. and Subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Development Fund of the Western Reserve, Inc. and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Development Fund of the Western Reserve, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated 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 consolidated 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 consolidated 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 Development Fund of the Western Reserve, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Development Fund of the Western Reserve, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplementary schedules on pages 25 through 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Novogradac & Company LLP

Cleveland, Ohio
June 13, 2025

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,276,172	$ 1,851,322
Restricted cash	31,148	47,340
Accounts receivable	3	3
Interest receivable	-	28,320
Prepaid insurance	5,641	5,642
Prepaid expense	2,050	1,875
Loans receivable	2,531,874	-
Less: allowance for credit losses	-	-
Net loans receivable	2,531,874	-
Total current assets	4,846,888	1,934,502
Long-term assets		
Deferred charges, net of accumulated amortization	23,813	30,926
Loans receivable	3,948,126	4,694,875
Less: allowance for credit losses	(218,000)	-
Net loans receivable	3,730,126	4,694,875
Investments in subsidiaries	35,845	34,783
Total long-term assets	3,789,784	4,760,584
Total assets	$ 8,636,672	$ 6,695,086
LIABILITIES AND NET ASSETS		
Current liabilities		
Due to related parties	$ 508	$ 25,387
Accounts payable	20,446	43,089
Restricted deposit	50,000	-
Total current liabilities	70,954	68,476
Long-term liabilities		
Note payable - related parties	1,270,000	1,270,000
Note payable, net of unamortized debt issuance costs	1,496,004	1,494,504
Total long-term liabilities	2,766,004	2,764,504
Total liabilities	2,836,958	2,832,980
Net assets		
Net assets without donor restrictions	5,768,766	3,814,966
Net assets with donor restrictions	30,948	47,140
Total net assets	5,799,714	3,862,106
Total liabilities and net assets	$ 8,636,672	$ 6,695,086

see accompanying notes

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31, 2024 and 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS	2024	2023
REVENUE		
Sub-allocation fee income	$ 525,000	$ 210,000
Community reinvestment fees	-	555,000
Interest income	209,622	117,022
Asset management fees	405,674	389,410
Audit and tax fee reimbursement	123,500	161,500
Other income	5,500	-
Excess of fair value of net assets acquired over consideration paid in acquisition of Twain	1,735,761	-
Recovery of credit losses	12,900	-
Net assets released from restrictions	16,192	4,824
Total revenue	3,034,149	1,437,756
EXPENSES		
Management services - DFA	550,000	485,000
Grants	200,000	555,000
Professional fees	169,574	209,477
General and administrative expenses	38,921	16,858
Insurance fees	8,647	8,624
Application fees	1,500	136,200
Advertising fees	4,788	4,184
Interest expense	99,900	99,900
Amortization	7,113	7,513
Total expenses	1,080,443	1,522,756
Income (loss) before equity in net income of investments	1,953,706	(85,000)
Equity in net income of investments in subsidiaries	94	179
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,953,800	(84,821)
NET ASSETS WITH DONOR RESTRICTIONS		
Net assets released from restrictions	(16,192)	(4,824)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(16,192)	(4,824)
CHANGE IN NET ASSETS	1,937,608	(89,645)
NET ASSETS AT BEGINNING OF YEAR	3,862,106	3,951,751
NET ASSETS AT END OF YEAR	$ 5,799,714	$ 3,862,106

see accompanying notes

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,937,608	$ (89,645)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of deferred charges	7,113	7,513
Interest expense - debt issuance costs	1,500	1,500
Equity in net income of subsidiaries	(94)	(179)
Distributions from subsidiaries	131	133
Recovery of credit losses	(12,900)	-
Excess of fair value of net assets acquired over consideration paid in acquisition of Twain	(1,735,761)	-
Changes in operating assets and liabilities:		
Interest receivable	28,320	(4,824)
Prepaid insurance	1	-
Prepaid other expenses	(175)	(1,875)
Accounts payable	(22,643)	(184,411)
Net cash provided by (used in) operating activities	203,100	(271,788)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Advances to) repayment from related party	(508)	7,901
Investments in subsidiaries	(1,750)	(700)
Return of capital from investments in subsidiaries	-	2,775
Purchase of Twain	(1,000)	-
Cash received in purchase	183,187	-
Increase in restricted deposits	50,000	-
Net cash provided by investing activities	229,929	9,976
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of) advances from related parties	(24,371)	25,387
Net cash (used in) provided by financing activities	(24,371)	25,387
Net change in cash, cash equivalents and restricted cash	408,658	(236,425)
Cash, cash equivalents and restricted cash at beginning of year	1,898,662	2,135,087
Cash, cash equivalents and restricted cash at end of year	$ 2,307,320	$ 1,898,662
Cash and cash equivalents	$ 2,276,172	$ 1,851,322
Restricted cash	31,148	47,340
Total cash, cash equivalents and restricted cash	$ 2,307,320	$ 1,898,662
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INOFRMATION:		
Cash paid for interest	$ 98,400	$ 98,400

see accompanying notes

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
December 31, 2024 and 2023

	2024	2023
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES		
Assets and liabilities acquired during consolidation:		
Assets:		
Loans receivable	$ 6,480,000	$ -
Allowance for credit losses	(230,900)	-
Investments in subsidiaries	6,296,636	-
Total assets	12,545,736	-
Liabilities:		
Due to related party	(135,000)	-
Note payable - related party	(4,694,875)	-
Total liabilities	(4,829,875)	-
Net Assets	$ 7,715,861	$ -
Assets and liabilities eliminated at the time of consolidation:		
Investments in subsidiaries	$ 6,296,636	$ -
Due from related party	$ 135,000	$ -
Loan receivable	$ 4,694,875	$ -
Due to related party	$ 135,000	$ -
Note payable - related party	$ 4,694,875	$ -

1. Organization and purpose

Development Fund of the Western Reserve, Inc., an Ohio non-profit corporation (“DFWR”), was formed on May 26, 2011 to serve or provide investment capital for Low-Income Communities (“LICs”), as defined in Section 45D(e) of the Internal Revenue Code and the Treasury Regulations thereunder, or low-income persons (“Low-Income Persons”). DFWR’s original members were the Development Finance Authority of Summit County (“DFA”), the controlling member, and ConxusNEO (formerly known as Summit Workforce Solutions). ConxusNEO withdrew from DFWR on October 10, 2017 and pursuant to the amended and restated Code of Regulations adopted on October 26, 2017, DFA is the sole member of DFWR. DFWR was certified as a qualified community development entity (“CDE”) under the New Markets Tax Credit (“NMTC”) Program. One hundred percent (100%) of DFWR’s activities are targeted to Low-Income Persons and LICs. DFWR’s service area is comprised of an thirty-four county area in Northeast Ohio.

DFWR’s primary mission is to serve and provide investment capital for low-income communities and low-income persons, consistent with the NMTC Program, and to serve as managing member for subsidiaries CDEs.

Throughout the notes to the consolidated financial statements, italicized words or phrases represent defined terms under the NMTC or Section 45D of the Internal Revenue Code of 1986, as amended.

1. Organization and purpose (continued)

DFWR is an allocatee of NMTCs and has sub-allocated its NMTC allocation to various affiliates for the purpose of making *qualified low-income community investments* ("QLICIs"). As of December 31, 2024 and 2023, the following sub-allocations were made to subsidiaries CDEs ("Sub-CDEs"):

	Sub-Allocation	
Sub-CDE	2024	2023
Western Reserve DF Affiliate I, LLC ("Western Reserve I")	$ 7,000,000	$ 7,000,000
Western Reserve DF Affiliate II, LLC ("Western Reserve II")	6,500,000	6,500,000
Western Reserve DF Affiliate III, LLC ("Western Reserve III")	6,500,000	6,500,000
Western Reserve DF Affiliate IV, LLC ("Western Reserve IV")	5,000,000	5,000,000
Western Reserve DF Affiliate V, LLC ("Western Reserve V")	5,500,000	5,500,000
Western Reserve DF Affiliate VI, LLC ("Western Reserve VI")	7,500,000	7,500,000
Western Reserve DF Affiliate VII, LLC ("Western Reserve VII")	5,500,000	5,500,000
Western Reserve DF Affiliate VIII, LLC ("Western Reserve VIII")	5,000,000	5,000,000
Western Reserve DF Affiliate IX, LLC ("Western Reserve IX")	5,250,000	5,250,000
Western Reserve DF Affiliate X, LLC ("Western Reserve X")	4,500,000	4,500,000
Western Reserve DF Affiliate XI, LLC ("Western Reserve XI")	6,750,000	6,750,000
Western Reserve DF Affiliate XII, LLC ("Western Reserve XII")	5,000,000	5,000,000
Western Reserve DF Affiliate XIII, LLC ("Western Reserve XIII")	6,500,000	6,500,000
Western Reserve DF Affiliate XIV, LLC ("Western Reserve XIV")	5,500,000	5,500,000
Western Reserve DF Affiliate XV, LLC ("Western Reserve XV")	6,500,000	6,500,000
Western Reserve DF Affiliate XVI, LLC ("Western Reserve XVI")	6,500,000	6,500,000
Western Reserve DF Affiliate XVII, LLC ("Western Reserve XVII")	5,000,000	5,000,000
Western Reserve DF Affiliate XVIII, LLC ("Western Reserve XVIII'	10,500,000	10,500,000
Western Reserve DF Affiliate XIX, LLC ("Western Reserve XIX")	10,000,000	10,000,000
Western Reserve DF Affiliate XX, LLC ("Western Reserve XX")	7,000,000	7,000,000
Western Reserve DF Affiliate XXI, LLC ("Western Reserve XXI")	8,000,000	-
Western Reserve DF Affiliate XXII, LLC ("Western Reserve XXII")	9,500,000	-
Total	$ 145,000,000	$ 127,500,000

1. Organization and purpose (continued)

In 2017, DFWR sub-allocated the remaining $6,750,000 of its 2015 NMTC allocation (see Note 8) to Western Reserve XI for purposes of creating a small-QLICI loan fund (“Small-QLICI Fund”). In conjunction with the closing of the Small-QLICI Fund, DFWR made a $1,929,875 investment in Akron Community Revitalization Fund, LLC (“ACRF” and together with DFWR, the “Corporation”) for 100% ownership of ACRF and a $27,700 investment in ACRF Lender, LLC (“ACRF Lender” and together with the Sub-CDEs, the “Subsidiaries”) for 0.01% ownership of ACRF Lender.

On July 30, 2024, DFWR formed and obtained 100% ownership of Small QLICI Investment Fund, LLC ("Small QLICI Investment Fund" and together with DFWR, ACRF and Western Reserve XI, the "Corporation").

On July 30, 2024, DFWR exercised its option to purchase, for a $1,000 purchase price, a 100% interest in Twain Investment Fund 240, LLC (“Twain”), which held a 99.99% interest in Western Reserve XI (the “Western Reserve XI Interest”), after which Small QLICI Investment Fund entered into an assignment and assumption agreement with Twain, pursuant to which Twain assigned all of its assets and liabilities to Small QLICI Investment Fund, including the Western Reserve XI Interest and Leverage Loan (see Note 3).

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Corporation prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Principles of consolidation
The consolidated financial statements as of and for the year ended December 31, 2024 include the accounts of DFWR, ACRF, Western Reserve XI (for the period from July 31, 2024 to December 31, 2024), and Small QLICI Fund. The consolidated financial statements as of and for the year ended December 31, 2023 include the accounts of DFWR and ACRF. All material intercompany balances and transactions have been eliminated.

Basis of presentation
The Corporation 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.

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist primarily of board designated operating funds, capital assets, and general operating support.

2. Summary of significant accounting policies and nature of operations (continued)

Basis of presentation (continued)

Net Assets with Donor Restrictions: Net assets that are subject to donor-imposed stipulations. Donor imposed stipulations specify a use for a contributed asset that is more specific than broad limits resulting from the nature of the not-for-profit entity, the environment in which it operates, or the purposes specified in its articles of incorporation or bylaws. Net assets with donor restrictions consist primarily of contributions with temporary donor restrictions. 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 statement of activities as net assets released from restrictions.

Use of estimates

The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions restricted for uses relating to the investment in ACRF and grant revenue received in prior years (see Note 6).

Concentration of credit risk

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on these accounts.

Economic concentrations

Substantially all of the Corporation's operations are derived from its long-term investments in, loans to and services provided to the Subsidiaries and other affiliated entities, as well as grant income related to these operations. Future operations could be impacted by changes in economic or other conditions that would affect the business of the Subsidiaries or the NMTC industry.

Income taxes

The Corporation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes (continued)
The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. Management has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying consolidated financial statements.

Loans receivable and allowance for loan losses
Loans receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. The Company records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when the Company deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2024 and 2023, the allowance for credit losses is $218,000 and $0, respectively.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a loss-rate approach. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonable possible that a material change could occur in the allowance for credit losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

2. Summary of significant accounting policies and nature of operations (continued)

Loans receivable and allowance for loan losses (continued)
Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status or past due at December 31, 2024 or 2023.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and recognized into income ratably over the term of the loan. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

Investments in subsidiaries
The Corporation owns a 0.01% membership interest in each of the Sub-CDEs, except Western Reserve XI (See Note 1), whose primary mission is providing investment capital for *LICs* or *Low-Income Persons* throughout the Corporation's service area, and ACRF Lender.

Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 810-20, Control of Partnerships and Similar Entities and FASB ASC 958-810, Not-for-Profit Entities - Consolidations, address how a corporation should evaluate whether the managing member or other similar entity is presumed to control a limited liability company or other similar entity and accordingly should consolidate the entity. If the investor member has the substantive ability to dissolve the limited liability company or otherwise remove the managing member without cause or has substantive participating rights, the managing member does not control the limited liability company. Substantive participating rights provide the investor member with the ability to effectively participate in significant decisions in the Subsidiaries' ordinary course of business. The Corporation has concluded that for each of the Subsidiaries, the investor member is presumed to have substantive participating rights and that the Corporation is not required to consolidate the Subsidiaries. The Corporation's maximum exposure to loss as a result of its involvement with the investment remains limited to its capital contribution to the Subsidiaries and exposure pursuant to certain indemnification agreements with investor members and/or their affiliates (see Note 10).

The Corporation accounts for its investments in the Subsidiaries under the equity method of accounting because it serves as the managing member for each of the Subsidiaries and derives substantially all of its revenue from services provided to the Subsidiaries. Under the equity method of accounting, the investments are recorded at cost and adjusted for the Corporation's share of income or loss in the Subsidiaries, additional investments in and cash distributions from the Subsidiaries. Since the Corporation has no obligation to fund liabilities of the Subsidiaries beyond its investment, its investment in the Subsidiaries may not be reduced below zero.

2. Summary of significant accounting policies and nature of operations (continued)

Investments in subsidiaries (continued)
To the extent that equity losses are incurred when the Corporation's carrying value of its investment in any of the Subsidiaries has reached a zero balance, any losses will be suspended to be used against future income.

The Corporation has adopted the nature of distributions approach for the classification of distributions received from equity method investees in the consolidated statements of cash flows. In accordance with this approach, distributions received from the Subsidiaries are classified as either operating or investing cash inflows based on the nature of the activities of the Subsidiaries that generated the distributions. Returns on investments are classified as operating activities in the consolidated statements of cash flows, while returns of investment are classified as investing activities.

The Corporation has implemented policies and practices for assessing impairment for its investments. Periodically, the carrying values are evaluated and the Corporation records a write down if it is determined that the impairment in value exists. If impairment exists, the carrying value is reduced to its fair value. Fair value is determined based on future cash flows and estimated tax benefits to be received. There were no impairment losses recognized for the years ended December 31, 2024 or 2023.

Deferred charges and amortization
Deferred charges as of both December 31, 2024 and 2023 consist of servicing fees paid to the State of Ohio Development Services Agency in an aggregate amount of $205,000. These fees are recorded at cost and amortized ratably over the applicable NMTC compliance period using the straight-line method. Accumulated amortization as of December 31, 2024 and 2023 was $181,187 and $39,074, respectively.

Contributions
Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional pledges to give are recorded as contributions when pledged at the net present value of the amounts expected to be collected. Unconditional pledges to give that are expected to be received in future periods are discounted annually using the current interest rate the funds would earn. Amortization of the discount is recorded as contribution revenue.

2. Summary of significant accounting policies and nature of operations (continued)

Revenue recognition
Revenue derived from the sub-allocation and transaction fees related to the closing of transactions by the Corporation's Subsidiaries is recognized when the earnings process is complete, generally at the time of the closing of the underlying transaction. Interest income is recognized when earned in accordance with the contractual terms of the loan agreement and promissory notes. Advance interest payments are deferred and classified as liabilities until earned. Fee income is recognized when earned in accordance with the underlying agreement.

Functional expenses
The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting service. Accordingly, certain costs have been allocated among program services, administrative and support, and fundraising services benefited (see Note 12). Such allocations are determined by management on an equitable basis.

The expenses that are allocated include management services – DFA and general and administrative expenses. Management services – DFA is allocated based on estimates of time and effort, and general and administrative expenses are allocated based on an analysis of specific costs incurred.

3. Loans receivable

Twain Investment Fund 240, LLC
On July 27, 2017, ACRF entered into a loan agreement with Twain Investment Fund 240, LLC ("Twain") for a loan in the amount of $4,694,875 (the "Leverage Loan"). Pursuant to the loan agreement, interest accrues at a fixed rate of 2.3089% per annum. The Leverage Loan is secured by the Western Reserve XI Interest.

On July 30, 2024, Small QLICI Fund entered into an assignment and assumption agreement with Twain, pursuant to which Small QLICI Fund assumed the Leverage Loan and entered into an amended and restated promissory note with ACRF. As a result of the assignment and assumption agreement, the Leverage Loan has been eliminated in consolidation as of July 27, 2024.

For the year ended December 31, 2024, interest earned was $63,233. For the year ended December 31, 2023, interest earned was $108,400. As of December 31, 2024 and 2023, interest receivable was $0 and $28,320, respectively.

3. Loan Receivable (continued)

Western Reserve XI loans receivable
As of December 31, 2024, Western Reserve XI's loans receivable (the "XI Loans") consisted of the following:

Borrower	Interest Rate	Maturity Date	Outstanding Principal Balance
Historic United Building, LLC	2.4408%	3/16/2025	$ 1,280,000
Northside Lofts Retail Condo, LLC	2.5000%	5/11/2025	650,000
55 Furnace Street LLC	2.5000%	6/1/2025	700,000
Tell Companies Limited	2.7500%	6/12/2025	580,000
Middlebury Commons Center, LLC	2.5000%	7/3/2028	1,600,000
Rayl Properties LLC	2.7500%	9/25/2025	1,670,000
		Total	$ 6,480,000

The XI Loans are each secured by the property owned by the respective borrowers, including, as applicable, the real property, buildings, structures, improvements and other property, and any leased interests, as set forth in each respective mortgage agreement.

Interest on the XI Loans is due and payable quarterly on the first day of each March, June, September, and December. Payment of the principal balances of the Loans, other than the loan to Middlebury Commons Center, LLC, and all accrued and unpaid interest thereon, are due in full on the respective maturity dates. For the Middlebury Commons Center, LLC loan, beginning on September 1, 2025, installments of principal and interest totaling $32,006 are due and payable quarterly on the first day of each March, June, September and December through the maturity date.

On March 16, 2025, Western Reserve XI entered into the HUB Amendment (see Note 13), which amended the interest rate, payment terms, and maturity date of the loan to Historic United Building, LLC ("Historic Building").

On May 11, 2025, Western Reserve XI entered into the Northside Amendment (see Note 13), which amended the payment terms and maturity date of the loan to Northside Lofts Retail Condo, LLC ("Northside").

3. Loan Receivable (continued)

Western Reserve XI loans receivable (continued)
The following table presents an analysis of the allowance for credit losses for the period from July 31, 2024 to December 31, 2024:

Balance, beginning of period	$	230,900
Loans charged off		-
Recoveries		(12,900)
Provision for credit losses		-
Balance, end of period	$	218,000

For the period from July 31, 2024 to December 31, 2024, the interest income earned and received on the XI Loans totaled $83,433.

4. Note payable

ADF Loan
On July 26, 2017, ACRF entered into a loan agreement with Akron Development Fund I, Ltd. ("ADF") for a loan in the amount of $1,500,000 (the "ADF Loan"). Pursuant to the loan agreement, interest accrues at a fixed rate of 2.75% per annum. The loan is secured by the Leverage Loan and related documents. Interest-only payments commenced on September 30, 2017 and are due on the last day of the last month of each calendar quarter through and including June 30, 2027. On the maturity date of July 31, 2027 (“ADF Loan Maturity Date”), the entire principal balance and any accrued interest is due. As of both December 31, 2024 and 2023, the outstanding principal balance of the ADF Loan was $1,500,000. For each of the years ended December 31, 2024 and 2023, interest incurred on the ADF Loan was $41,250.

Debt issuance costs of $15,000 are being amortized to interest expense over the term of the ADF Loan. For each of the years ended December 31, 2024 and 2023, the effective interest rate on the ADF Loan, including amortization of debt issuance costs, was 2.85%. For each of the years ended December 31, 2024 and 2023, amortization of debt issuance costs was $1,500, and is recorded as interest expense in the accompanying consolidated statements of activities and changes in net assets.

Note payable consists of the following as of December 31, 2024 and 2023:

	2024		2023	
Principal balance	$	1,500,000	$	1,500,000
Less: unamortized debt issuance costs		3,996		5,496
Note payable, net of debt issuance costs	$	1,496,004	$	1,494,504

5. Related party transactions

ACRF Lender Loan Payable
On July 27, 2017, ACRF entered into a loan agreement with ACRF Lender for the amount of $1,270,000 (the "ACRF Lender Loan"). Pursuant to the loan agreement, interest accrues at a fixed rate of 4.50% per annum. The loan is secured by the Leverage Loan and related documents.

Interest-only payments commenced on September 30, 2017 and are due on the 20^{th} day of the last month of each calendar quarter. On the maturity date of July 31, 2027 ("ACRF Lender Loan Maturity Date"), the entire principal balance and any accrued interest is due. As of both December 31, 2024 and 2023, the outstanding principal balance of the ACRF Lender Loan was $1,270,000. For each of the years ended December 31, 2024 and 2023, interest incurred and paid on the ACRF Lender Loan was $57,150.

Management services - Development Finance Authority of Summit County
Pursuant to the Amended and Restated Management Services Agreement between the Corporation and DFA dated September 16, 2024 (the "Amended Management Agreement"), DFA agreed to provide management, financial, operational compliance and administrative services, as necessary to assist the Corporation in fulfilling its on-going, day-to-day responsibilities. Pursuant to the Amended Management Agreement, the Corporation pays DFA a fee in exchange for these services in an amount equal to (a) $350,000, payable in quarterly installments, to compensate DFA for the use of its staff and resources; (b) in the event the Corporation closes on future projects, fifty percent (50%) of all (i) closing fees and (ii) any ongoing administrative fees received by the Corporation, not to exceed $200,000 per year; and (c) all out-of-pocket expenses incurred by DFA and its service personnel consisting of travel, outside consultants, conference calls, postage, courier costs and other miscellaneous expenses. Prior to the adoption of the amendment in 2024, the annual fixed fee payable to DFA was $380,000.

For the years ended December 31, 2024 and 2023, the Corporation incurred and paid management services fees pursuant to the Amended Management Agreement of $550,000 and $485,000, respectively.

Sub-allocation fee income
Pursuant to the operating agreements of the Sub-CDEs, at the respective closing date of each of the underlying transactions, and in consideration for services rendered in connection with the sub-allocation and organization of the Sub-CDEs and the issuance of qualified equity investments, the Corporation is entitled to receive fees equal to 3% of the *qualified equity investments* ("QEIs") issued by the Sub-CDEs.

During the year ended December 31, 2024, the Corporation earned and received a sub-allocation fee in the amount of $240,000 and $285,000 from Western Reserve XXI, and Western Reserve XXII, respectively.

5. Related party transactions (continued)

Sub-allocation fee income (continued)
During the year ended December 31, 2023, the Corporation earned and received a sub-allocation fee in the amount of $210,000 from Western Reserve XX.

Asset management fee income
Pursuant to the operating agreements of the Sub-CDEs, the Corporations entitled to receive annual asset management fees, prorated for partial years, for administering, managing, and directing the business of the Sub-CDEs to comply with all of the NMTC Program requirements as follows:

Sub-CDE	Annual Fee
Western Reserve XI	$ 33,750
Western Reserve XII	25,000
Western Reserve XIII	32,500
Western Reserve XV	32,500
Western Reserve XIV	27,500
Western Reserve XVI	32,500
Western Reserve XVII	25,000
Western Reserve XVIII	52,500
Western Reserve XIX	50,000
Western Reserve XX	35,000
Western Reserve XXI	40,000
Western Reserve XXII	47,500
Total	$ 433,750

For the years ended December 31, 2024 and 2023, asset management fees earned were $405,674 and $389,410, respectively.

Audit and tax fee reimbursement
For the years ended December 31, 2024 and 2023, the Corporation received audit and tax fee reimbursements from the Sub-CDEs totaling $123,500 and $161,500, respectively.

Investments in Subsidiaries
Pursuant to the operating agreements of the Subsidiaries, the Corporation made capital contributions totaling $42,406 and $40,450 as of December 31, 2024 and 2023, respectively, in exchange for a 0.01% ownership interest in each of the Subsidiaries. The investment balance in the Subsidiaries at December 31, 2024 and 2023 was $35,845 and $34,783, respectively. The equity in the net income of the Subsidiaries for the years ended December 31, 2024 and 2023 was $94 and $179, respectively. As of December 31, 2024 and 2023, the Corporation had made all required contributions.

5. Related party transactions (continued)

Investments in Subsidiaries (continued)
Summarized financial information of the Subsidiaries as of December 31, 2024 and 2023 is as follows:

	2024	2023
Assets	$ 80,773,381	$ 70,321,891
Liabilities	$ 585	$ 481
Members' equity	80,772,796	70,321,410
Total liabilities & members' equity	$ 80,773,381	$ 70,321,891

Summarized financial information of the Subsidiaries for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Revenue	$ 1,832,889	$ 1,939,274
Expenses	(1,124,383)	(2,819,107)
Net income (loss)	$ 708,506	$ (879,833)

Western Reserve XI reached the end of the NMTC compliance period during 2024, after which it became 100% owned by DFWR (see Note 1). Western Reserve VI, Western Reserve VII, Western Reserve VIII, Western Reserve IX and Western Reserve X reached the end of the NMTC compliance period during 2023 and the Corporation received a return of capital in the amounts of $750, $550, $500, $525, $525 and $450, respectively, upon the redemption of the Corporation's membership interests.

Due to related parties
During 2024 and 2023, the Corporation was required to reimburse certain Sub-CDEs for certain operating expenses. As of December 31, 2024 and 2023, $508 and $387, respectively, was owed to certain Sub-CDEs.

During 2023, DFA paid for certain operating expenses of the Corporation. As of December 31, 2024 and 2023, $0 and $25,000, respectively, was owed to DFA.

6. Grants

During 2024 and 2023, DFWR agreed to make grants and entered into grant agreements with Western Reserve Community Fund, Inc. (“WRCF”) to help finance projects organized to support further economic development and job creation in the amounts of $200,000 and $555,000, respectively. As of December 31, 2024 and 2023, there were no grants payable.

7. Net assets

Net assets without donor restrictions
Net assets without donor restrictions consist of the following as of December 31:

	2024	2023
Undesignated	$ 5,768,766	$ 3,814,966
Total net assets without donor restrictions	$ 5,768,766	$ 3,814,966

Net assets with donor restrictions
Net assets with donor restrictions consist of the following as of December 31:

	2024	2023
Grants	$ 30,948	$ 47,140
Total net assets with donor restrictions	$ 30,948	$ 47,140

8. Federal new markets tax credits

Pursuant to the Allocation Agreements among the Corporation, the Sub-CDEs and other subsidiary CDEs of the Corporation, and the Community Development Financial Institutions Fund (“CDFI Fund”), dated April 11, 2012, August 20, 2015, August 16, 2019, October 26, 2021, and December 5, 2024, the Corporation was allocated the authority to issue $20,000,000, $45,000,000, $30,000,000, $50,000,000, and $45,000,000 of QEIs, respectively. Equity investments received by the Sub-CDEs may be designated as QEIs if they meet the requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D-1. NMTCs are allowed to be claimed by the members of the Sub-CDEs over a seven-year period spanning six years and a day for any equity investment that is designated a QEI by the Sub-CDEs.

8. Federal new markets tax credits (continued)

In order to qualify for these credits, the Corporation and the Sub-CDEs must comply with requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D-1 during the seven-year credit period. Failure to comply with the requirements could result in the recapture of NMTCs that have been previously claimed as well as the loss of any future NMTCs. The three events that can cause recapture are: [1] the Corporation or any of the Sub-CDEs ceases to be a CDE; [2] failing to ensure that for each annual period in the seven-year credit period, at least 85 percent of the qualified equity investments received by the Sub-CDEs are continuously invested in any low-income community investment (which may include 5% of the qualified equity investments received to be held as loan loss reserves); and [3] a QEI is redeemed by the Sub-CDEs. Failure by the Corporation or Sub-CDEs to meet any of the above requirements may also cause the Corporation to be in default of the Allocation Agreements.

The Corporation has established an advisory board ("Advisory Board") in order to maintain accountability to the low-income communities served by the Corporation. At least 20% of the Advisory Board membership must be representative of the low-income communities served.

9. State of Ohio new markets tax credits

Pursuant to the State of Ohio Administrative Code Chapter 122:22 New Markets Tax Credits (the "Ohio Statute"), during 2011, 2013, 2015, 2019, 2020, and 2021, the Corporation applied for and received the authority to issue up to $2,564,102, $5,128,205, $2,564,102, $5,128,204, $5,128,204, and $5,128,204, respectively, in Ohio qualified equity investments ("Ohio QEIs"). Under the Ohio Statute, the Sub-CDEs' members will be allowed to claim State of Ohio NMTCs over seven periods spanning six years and one day for any equity investment made by such member that is designated as an Ohio QEI within the meaning of the Ohio Statute and has at least 85% of its cash purchase price used by the issuer to make qualified low income community investments.

As of December 31, 2024 and 2023, the Corporation sub-allocated its State of Ohio NMTC allocation to its Subsidiaries as follows:

	Sub-Allocation	
Sub-CDE	2024	2023
Western Reserve II	$ 2,564,103	$ 2,564,103
Western Reserve III	2,564,102	2,564,102
Western Reserve VII	2,564,102	2,564,102
Western Reserve XIII	2,564,103	2,564,103
Western Reserve XV	2,564,103	2,564,103
Western Reserve XIV	2,564,102	2,564,102
Western Reserve XVI	2,564,102	2,564,102
Western Reserve XVIII	2,564,102	2,564,102
Western Reserve XIX	2,564,102	2,564,102
Total	$ 23,076,921	$ 23,076,921

9. State of Ohio new markets tax credits (continued)

There were no closings requiring State of Ohio NMTC sub-allocation fees during 2024 and 2023.

10. Contingency

Pursuant to certain indemnification agreements entered into for the underlying NMTC transactions, the Corporation is obligated to reimburse an affiliate of the Sub-CDEs' respective investor members for any loss, damage, liability or claim incurred by the investor member in connection with certain specified NMTC recapture events, as defined in each indemnification agreement. As of December 31, 2024 and 2023, no claims or payments had been made relative to the indemnities and the Corporation is not aware of the occurrence of any recapture event. The Corporation has evaluated its exposure pursuant to the indemnification agreements and has determined the maximum dollar amount of such exposure as of December 31, 2024 to be equal to the NMTCs totaling $31,208,000 and State of Ohio NMTCs totaling $6,000,000 in addition to any penalties, interest, and applicable IRR true-up amounts on an after tax basis. The Corporation has determined the likelihood of a recapture event to be remote after considering the historical rate of recapture and related factors. Accordingly, no liability has been recorded relative to the indemnification agreements.

11. Liquidity and availability of resources

The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The following reflects the Corporation’s financial assets as of the statement of financial position date, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include cash set aside for restricted grant uses, additional financing costs related to the Small-QLICI Fund, amortizing deferred charges that are nonmarketable, and investments in Subsidiaries.

11. Liquidity and availability of resources (continued)

	2024	2023
Total assets, end of year	$ 8,636,672	$ 6,695,086
Less nonfinancial assets:		
Prepaid expenses	(7,691)	(7,517)
Financial assets, end of year	8,628,981	6,687,569
Less those unavailable for general expenditure within one year due to:		
Restricted cash	(166,067)	(47,259)
Grants restricted for other use	(81)	(81)
Deferred charges, net of accumulated amortization	(23,813)	(30,926)
Investments in subsidiaries	(35,845)	(34,783)
Loans receivable not expected to be repaid within one year	(3,948,126)	(4,694,875)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,455,049	$ 1,879,645

12. Functional expense allocation

The allocation of functional expenses for the years ended December 31, 2024 and 2023 is as follows:

2024

	Program Services	Administrative and Support	Fundraising	Total
Management services - DFA	$ 411,171	$ 96,571	$ 42,258	$ 550,000
Grants	200,000	-	-	200,000
Professional fees	169,574	-	-	169,574
General and administrative expenses	38,921	-	-	38,921
Insurance fees	8,647	-	-	8,647
Application fees	1,500	-	-	1,500
Advertising fees	-	4,788	-	4,788
Interest expense	99,900	-	-	99,900
Amortization	7,113	-	-	7,113
Total expenditures	$ 936,826	$ 101,359	$ 42,258	$ 1,080,443

2023

	Program Services	Administrative and Support	Fundraising	Total
Management services - DFA	$ 323,687	$ 94,890	$ 66,423	$ 485,000
Grants	555,000	-	-	555,000
Professional fees	209,477	-	-	209,477
General and administrative expenses	16,858	-	-	16,858
Insurance fees	8,624	-	-	8,624
Application fees	136,200	-	-	136,200
Advertising fees	-	4,184	-	4,184
Interest expense	99,900	-	-	99,900
Amortization	7,513	-	-	7,513
Total expenditures	$ 1,357,259	$ 99,074	$ 66,423	$ 1,522,756

13. Subsequent events

Subsequent events have been evaluated through June 13, 2025, which is the date the consolidated financial statements were available to be issued. The following is a summary of significant transactions through June 13, 2025.

On April 11, 2025, the Corporation made an investment in the amount of $900 to Western Reserve DF Affiliate XXIV, LLC (“Western Reserve XXIV”) and received a sub-allocation fee in the amount of $180,000 in connection with Western Reserve XXIV’s closing.

On March 16, 2025, Western Reserve XI entered into a loan amendment with Historic Building (the “HUB Amendment”). Pursuant to the HUB Amendment, interest accrues at 4% per annum and installments of principal and interest are due as follows: one installment of $45,358 is due and payable on June 1, 2025, installments of $38,878 are due and payable quarterly on the first day of each March, June, September and December through December 31, 2034, and one installment of $32,398 is due on the amended maturity date of April 1, 2035.

On May 21, 2025, Western Reserve XI assigned the loan receivable from Historic United Building to ACRF.

On May 21, 2025, Western Reserve XI entered into a loan amendment with Northside (the “Northside Amendment”). Pursuant to the Northside Amendment, installments of principal and interest are due as follows: one installment of $18,842 is due and payable on June 1, 2025, installments of $34,607 are due and payable quarterly on the first day of each March, June, September and December through March 1, 2030, and one installment of $15,760 is due on the amended maturity date of May 11, 2030.

On May 29, 2025, 55 Furnace Street LLC made a payment of all outstanding principal and interest in the amount of $702,965 on its loan to Western Reserve XI.

SUPPLEMENTARY INFORMATION

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2024

	DFWR	ACRF	WRDFA XI	Small QLICI	Eliminations	Consolidated Total
ASSETS						
Current assets						
Cash and cash equivalents	$ 2,005,137	$ 78,505	$ 182,787	$ 9,743	$ -	$ 2,276,172
Restricted cash	31,148	-	0	-	-	31,148
Accounts receivable	3	-	-	-	-	3
Prepaid insurance	5,641	-	-	-	-	5,641
Prepaid expense	2,050	-	-	-	-	2,050
Prepaid interest	-	-	-	9,033	(9,033)	-
Community reinvestment fee receivable	135,000	-	-	-	(135,000)	-
Loans receivable	-	-	2,531,874	-	-	2,531,874
Total current assets	2,178,979	78,505	2,714,661	18,776	(144,033)	4,846,888
Long-term assets						
Deferred charges, net of accumulated amortization	23,813	-	-	-	-	23,813
Loan receivable	-	4,694,875	3,948,126	-	(4,694,875)	3,948,126
Allowance for credit losses	-	-	(218,000)	-	-	(218,000)
Investments in subsidiaries	3,645,633	-	-	6,232,646	(9,842,434)	35,845
Total long-term assets	3,669,446	4,694,875	3,730,126	6,232,646	(14,537,309)	3,789,784
Total assets	$ 5,848,425	$ 4,773,380	$ 6,444,787	$ 6,251,422	$ (14,681,342)	$ 8,636,672
LIABILITIES AND NET ASSETS						
Current liabilities						
Due to related parties	$ 508	$ -	$ -	$ -	$ -	$ 508
Accounts payable	20,446	-	-	-	-	20,446
Restricted deposit	50,000	-	-	-		50,000
Accrued interest	-	9,033	-	-	(9,033)	-
Community reinvestment fee payable	-		135,000	-	(135,000)	-
Total current liabilities	70,954	9,033	135,000	-	(144,033)	70,954
Long-term liabilities						
Note payable - related party	-	1,270,000	-	4,694,875	(4,694,875)	1,270,000
Note payable, net of unamortized debt issuance costs	-	1,496,004	-	-	-	1,496,004
Total long-term liabilities	-	2,766,004	-	4,694,875	(4,694,875)	2,766,004
Net assets	5,777,471	1,998,343	6,309,787	1,556,547	(9,842,434)	5,799,714
Total liabilities and net assets	$ 5,848,425	$ 4,773,380	$ 6,444,787	$ 6,251,422	$ (14,681,342)	$ 8,636,672

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2024

	DFWR	ACRF	WRDFA XI	Small QLICI	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS						
REVENUE						
Sub-allocation fee income	$ 525,000	$ -	$ -	$ -	$ -	$ 525,000
Community reinvestment fees	135,000	-	-	-	(135,000)	-
Interest income	62,956	108,400	83,433	-	(45,167)	209,622
Asset management fees	414,111	-	-	-	(8,437)	405,674
Audit and tax fee reimbursement	144,500	-	-	-	(21,000)	123,500
Event sponsorship	5,500	-	-	-	-	5,500
Net assets released from restrictions	16,192	-	-	-	-	16,192
Excess of fair value of net assets acquired over consideration paid in acquisition of Twain	1,600,761	-	-	-	135,000	1,735,761
Recovery of credit losses	-	-	12,900	-	-	12,900
Total revenue	2,904,020	108,400	96,333	-	(74,604)	3,034,149
EXPENSES						
Management services - DFA	550,000	-	-	-	-	550,000
Grants	200,000	-	-	-	-	200,000
Professional fees	169,574	10,000	-	-	(10,000)	169,574
General and administrative expenses	38,412	64	379	47	19	38,921
Insurance fees	8,647	-	-	-	-	8,647
Application fees	1,500	-	-	-	-	1,500
Advertising fees	4,788	-	-	-	-	4,788
Interest expense	-	99,900	-	45,167	(45,167)	99,900
Amortization	7,113	-	-	-	-	7,113
Audit and tax fee	-	-	11,000	-	(11,000)	-
Asset management fee expense	-	-	8,437	-	(8,437)	-
Total expenses	980,034	109,964	19,816	45,214	(74,585)	1,080,443
Income (loss) before equity in net income of investments	1,923,986	(1,564)	76,517	(45,214)	(19)	1,953,706
Equity in net income of investments in subsidiaries	7,571	-	-	-	(7,477)	94
INCREASE (DECREASE) IN NET ASSETS						
WITHOUT DONOR RESTRICTIONS	1,931,557	(1,564)	76,517	(45,214)	(7,496)	1,953,800

see report of independent auditors

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
For the year ended December 31, 2024

	DFWR	ACRF	WRDFA XI	Small QLICI	Eliminations	Consolidated Total
NET ASSETS WITH DONOR RESTRICTIONS						
Net assets released from restrictions	(16,192)	-	-	-	-	(16,192)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(16,192)	-	-	-	-	(16,192)
CHANGE IN NET ASSETS	1,915,365	(1,564)	76,517	(45,214)	(7,496)	1,937,608
NET ASSETS AT BEGINNING OF YEAR	3,862,106	1,999,907	-	-	(1,999,907)	3,862,106
Capital contributions	-	-	-	1,601,761	(1,601,761)	-
NET ASSETS AT END OF YEAR	$ 5,777,471	$ 1,998,343	$ 76,517	$ 1,556,547	$ (3,609,164)	$ 5,799,714

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

	DFWR	ACRF	Eliminations	Consolidated Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,810,106	$ 41,216	$ -	$ 1,851,322
Restricted cash	47,340	-	-	47,340
Accounts receivable	3	-	-	3
Interest receivable	-	28,320	-	28,320
Prepaid insurance	5,642	-	-	5,642
Prepaid other expenses	1,875	-	-	1,875
Total current assets	1,864,966	69,536	-	1,934,502
Long-term assets				
Deferred charges, net of accumulated amortization	30,926	-	-	30,926
Investments in subsidiaries	2,034,690	-	(1,999,907)	34,783
Loan receivable	-	4,694,875	-	4,694,875
Total long-term assets	2,065,616	4,694,875	(1,999,907)	4,760,584
Total assets	$ 3,930,582	$ 4,764,411	$ (1,999,907)	$ 6,695,086
LIABILITIES AND NET ASSETS				
Current liabilities				
Due to related parties	$ 25,387	$ -	$ -	$ 25,387
Accounts payable	43,089	-	-	43,089
Total current liabilities	68,476	-	-	68,476
Long-term liabilities				
Note payable - related party	-	1,270,000	-	1,270,000
Note payable, net of unamortized debt issuance costs	-	1,494,504	-	1,494,504
Total long-term liabilities	-	2,764,504	-	2,764,504
Net assets	3,862,106	1,999,907	(1,999,907)	3,862,106
Total liabilities and net assets	$ 3,930,582	$ 4,764,411	$ (1,999,907)	$ 6,695,086

DEVELOPMENT FUND OF THE WESTERN RESERVE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2023

	DFWR	ACRF	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUE				
Sub-allocation fee income	$ 210,000	$ -	$ -	$ 210,000
Success fee	555,000	-	-	555,000
Interest income	8,622	108,400	-	117,022
Asset management fees	389,410	-	-	389,410
Audit and tax fee reimbursement	171,500	-	(10,000)	161,500
Net assets released from restrictions	4,824	-	-	4,824
Total revenue	1,339,356	108,400	(10,000)	1,437,756
EXPENSES				
Management services - DFA	485,000	-	-	485,000
Grants	555,000	-	-	555,000
Professional fees	209,477	10,000	(10,000)	209,477
General and administrative expenses	16,828	30	-	16,858
Insurance fees	8,624	-	-	8,624
Application fees	136,200	-	-	136,200
Advertising fees	4,184	-	-	4,184
Interest expense	-	99,900	-	99,900
Amortization	7,513	-	-	7,513
Total expenses	1,422,826	109,930	(10,000)	1,522,756
Loss before equity in net income of investments	(83,470)	(1,530)	-	(85,000)
Equity in net (loss) income of investments in subsidiaries	(1,351)	-	1,530	179
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(84,821)	(1,530)	1,530	(84,821)
NET ASSETS WITH DONOR RESTRCTIONS				
Net assets released from restrictions	(4,824)	-	-	(4,824)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(4,824)	-	-	(4,824)
CHANGE IN NET ASSETS	(89,645)	(1,530)	1,530	(89,645)
NET ASSETS AT BEGINNING OF YEAR	3,951,751	1,996,614	(1,996,614)	3,951,751
Capital contributions	-	4,823	(4,823)	-
NET ASSETS AT END OF YEAR	$ 3,862,106	$ 1,999,907	$ (1,999,907)	$ 3,862,106

see report of independent auditors