WOMEN'S ECONOMIC VENTURES
AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

allison&gibb

CERTIFIED PUBLIC ACCOUNTANTS | LLP

Women's Economic Ventures and Subsidiary
Audited Consolidated Financial Statements
Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Women's Economic Ventures and Subsidiary
Santa Barbara, California

Opinion

We have audited the accompanying consolidated financial statements of Women's Economic Ventures (a California nonprofit organization) and Subsidiary (collectively the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2024, and the changes in its net assets 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 Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 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.

Auditor's 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 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 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 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information contained in page 27 is presented for purposes of additional analysis of the consolidated financial statements rather than to present net assets and cash flows of the individual organizations, and it 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Allison & Gibb LLP

ALLISON & GIBB, LLP
Westlake Village, California
June 25, 2025

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 156,170
Cash and cash equivalents for lending	1,052,020
Contracts and grants receivable	157,168
Pledges receivable, net - current	104,995
Loans receivable, net of allowance for credit loss, current	590,796
Interest on loans receivable	3,378
Accounts receivable - other	27,161
Employee retention credit receivable	228,121
Prepaid expenses and other assets	36,526
Operating lease right of use assets, current	153,263
Total Current Assets	2,509,598
LONG-TERM ASSETS:	
Investments	2,556,527
Operating lease right of use assets, net of current portion	166,509
Pledges receivable, net of current portion	23,861
Loans receivable, net of current portion	682,341
Property, plant and equipment, net	59,000
Deposits	11,983
Total Long-Term Assets	3,500,221
Total Assets	$ 6,009,819

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Line of credit	$ 864,690
Accounts payable and accrued expenses	193,463
Deferred revenue	80,215
Deferred loan fees	2,338
Loan payable	200,000
Advances received for lending purposes, current	120,000
Operating lease liabilities, current	165,615
Subordinated loans payable, current	250,000
Total Current Liabilities	1,876,321
LONG-TERM LIABILITIES:	
Operating lease liabilities, net of current portion	175,122
Subordinated loans payable, net of current portion	500,000
Advances received for lending purposes, net of current portion	135,311
Total Long-Term Liabilities	810,433
Total Liabilities	2,686,754
NET ASSETS:	
Without donor restrictions:	
Board-designated for operating reserves	175,000
Board-designated for Endowment	1,947,414
Undesignated	(185,154)
Total Without Donor Restrictions	1,937,260
With donor restrictions:	
Time or purpose restricted	1,045,501
To be held in perpetuity	340,304
Total With Donor Restrictions	1,385,805
Total Net Assets	3,323,065
Total Liabilities and Net Assets	$ 6,009,819

See Accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Government support for operations	$ 2,048,838	$ -	$ 2,048,838
Contributions and grants:			
Individual contributions	190,088	22,220	212,308
Corporate contributions	360,777	186,954	547,731
Foundation grants	283,766	162,054	445,820
Education program fees	76,714	-	76,714
Fees for service	130,713	-	130,713
Interest income from lending	69,473	-	69,473
Fees earned from lending	5,234	-	5,234
Investment return, net	243,195	54,869	298,064
Employee retention credit	228,121	-	228,121
Other income	1,879	-	1,879
Net assets released from restrictions	283,150	(283,150)	-
Total Revenues, Gains and Other Support	3,921,948	142,947	4,064,895
EXPENSES:			
Program services	3,131,170	-	3,131,170
Management and general	491,041	-	491,041
Development and fundraising	213,019	-	213,019
Total Expenses	3,835,230	-	3,835,230
Change in Net Assets	86,718	142,947	229,665
NET ASSETS - Beginning of Year	1,850,542	1,242,858	3,093,400
NET ASSETS - End of Year	$ 1,937,260	$ 1,385,805	$ 3,323,065

See Accompanying Independent Auditor's Report
and Notes to Consolidated Financial Statements

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Development and Fundraising	Total
Salaries and benefits:				
Salaries and wages	$ 1,544,108	$ 145,818	$ 70,626	$ 1,760,552
Pension expense	36,991	2,518	1,656	41,165
Other employee benefits	80,677	2,372	4,802	87,851
Payroll taxes	124,877	26,968	5,720	157,565
Total Salaries and benefits	1,786,653	177,676	82,804	2,047,133
Grants and awards	963,711	-	-	963,711
Supplies and services	130,954	51,693	50,131	232,778
Professional services	2,948	70,438	55,780	129,166
Occupancy expenses	152,763	31,029	20,370	204,162
Conference and meeting expenses	10,678	1,567	886	13,131
Interest expense	-	104,664	-	104,664
Depreciation and amortization expense	22,860	4,572	3,048	30,480
Insurance expense	-	49,402	-	49,402
Small Business Loan Fund (SBLF):				
SBLF - Interest cost of funds	24,043	-	-	24,043
SBLF - Loan loss provision	14,958	-	-	14,958
SBLF - Legal expense	100	-	-	100
SBLF - Other operating expenses	21,502	-	-	21,502
Total Functional Expenses	$ 3,131,170	$ 491,041	$ 213,019	$ 3,835,230

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	229,665
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization		30,480
Unrealized loss on investments		236,811
Realized gain on investments		(451,420)
Forgiven loans receivable		190,000
Allowance for loans receivable		14,866
Net changes in operating assets:		
Contracts and grants receivable		115,221
Pledges receivable, net		25,004
Interest on loans receivable		393
Accounts receivable - other		(9,088)
Employee retention credit receivable		(228,121)
Prepaid expenses and other assets		6,133
Operating lease right of use assets		141,716
Change in operating liabilities:		
Accounts payable and accrued expenses		(228,872)
Deferred revenue		(40,332)
Deferred loan fees		(1,682)
Operating lease liabilities		(139,644)
Advances received for lending purposes		(52,000)
Net Cash Used by Operating Activities		(160,870)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments		2,021,095
Purchases of investments		(1,340,150)
Purchases of furniture and equipment		(23,772)
Issuance of loans receivable		(514,400)
Collections of loans receivable		496,959
Net Cash Provided by Investing Activities		639,732
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayments on line of credit		(360,500)
Repayments of loans payable		(151,380)
Net Cash Used by Financing Activities		(511,880)
Net Decrease in Cash and Cash Equivalents		(33,018)
CASH AND CASH EQUIVALENTS - Beginning of Year		1,241,208
CASH AND CASH EQUIVALENTS - End of Year	$	1,208,190
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during 2024 for interest	$	123,376

See Accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Women's Economic Ventures ("WEV") is a 501(c)(3) nonprofit organization dedicated to creating an equitable and just society through the economic empowerment of women. Established in 1981, WEV serves Santa Barbara and Ventura counties. WEV provides training, advisory services and loans to help small business entrepreneurs start, grow and thrive in business. While WEV targets its services towards women and underserved communities, it supports everyone. Services are provided in both English and Spanish. WEV is a U.S. Small Business Administration's ("SBA") Women's Business Center ("WBC") and a certified Community Development Financial Institution ("CDFI"). WEV Funding Solutions ("WFS"), was originally formed in 2023 to house WEV's lending program. WFS obtained 501(c)(3) status on November 2023 and began transacting loans on October 1, 2024. WEV is the sole member of WFS. WEV and its subsidiary, WFS, are hereafter collectively referred to as the Organization.

Training and advisory services include:

Entrepreneurial Training: From 4 to 14-week instructor-led programs, delivered in-person and online, providing an understanding of entrepreneurship, digital marketing and e-commerce.

Financial Training: Designed to improve financial literacy and financial confidence for the small business owner and pre-business individuals.

Business Advisory Services: Individual business guidance to support small business owners in achieving their business goals. Services can be long-term, general, advisory or short-term goal specific.

Community Engagement: Regular in-person and virtual events for the Organization's clients and community members and quarterly newsletters and social media posts.

Access to capital: The Organization has been a certified CDFI since 1999. The Organization's loan program is targeted to low-and moderate-income individuals who have been underserved by traditional lenders. Loans range from $5,000 to $100,000. The Organization's staff provides loan consultation and loan packaging assistance.

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of WEV and WFS. All significant intercompany balances and transactions have been eliminated in consolidation.

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

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. The consolidated financial statements also reflect all significant receivables, payables, and other liabilities, if any.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** Net assets that are not subject to donor or grantor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's governing board. The governing board has designated from net assets without donor restrictions, net assets for an operating reserve and board designated endowment.

- **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor and grantor restrictions are temporary in nature, such as those that will be met by action of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Earnings on net assets with donor and grantor restrictions are reported as an increase in net assets with donor restrictions. Earnings on donor restricted endowment funds that have not yet been appropriated are also classified as net assets with donor restrictions. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statement of Activities and Changes in Net Assets.

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

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of consolidated revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Concentrations of Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, loans receivable, and investments.

The Organization maintains its cash in bank deposit accounts at various institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times, cash in these accounts exceeds the insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Loans receivable are generally secured and are subject to ongoing credit evaluations. Most of the Organization's lending activity is within Santa Barbara and Ventura Counties. The ability of the borrowers to honor their contracts is dependent upon the general economic conditions of the area.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Consolidated Statement of Financial Position and Consolidated Statement of Activities and Changes in Net Assets.

Approximately 66% of revenue from government support for operations during the year ended December 31, 2024 was derived from two conditional grants with terms that ended in May 2024 and March 2025. As of December 31, 2024, substantially all revenue under these grants had been recognized.

In-kind Contributions

Non-cash donations are recognized as contributions when received at their estimated fair value. There were no in-kind contributions received during the year ended December 31, 2024.

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

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the Consolidated Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct, or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, information technology, occupancy, travel and conferences, depreciation and other expenses, which are allocated on the basis of estimates of time or usage.

Cash and Cash Equivalents

For the purposes of the Consolidated Statements of Financial Position and Cash Flows, cash and cash equivalents include cash on hand and amounts held in checking, savings and money market accounts. The Organization considers all investments with a maturity of three months or less to be cash equivalents.

Contracts and Grants Receivable

Contracts and grants receivable are comprised primarily of amounts due under contracts from granting organizations for services provided. Based on a review of historical collections, management has set an allowance for uncollectible receivables of 10% of the total balance due.

Loans Receivable

Loans are made primarily to small businesses and include term loans and forgivable loans. Term loans are due over three to seven-year periods with interest generally ranging from 4.5% to 9% per annum. Interest is recognized over the life of the loan and is calculated using the simple-interest method on the principal amount outstanding. Payments are made on a monthly basis, and the interest portion of the payment is reflected as income on an accrual basis. Fees earned consist of loan application and closing fees. Closing fees net of direct loan organization costs are recognized over the life of the loan. Forgivable loans bear interest at 6.5% per annum payable monthly for the first six months at which time the loan will be forgiven if certain criteria under the terms of a grant agreement have been met. Loans that are forgiven are recorded as grants and awards in the Consolidated Statement of Functional Expenses. Loans that are not forgiven are due over 5 years. Forgivable loans included in loans receivable totaled $210,000 at December 31, 2024.

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

Loans Receivable (Continued)

The Organization determines the adequacy of its allowance for credit losses inherent in its financing by reviewing the loan portfolio by segment and class. The portfolio segment is based on the type of financing offered, which currently consists of small business loans. The segment is broken down by classes, which consists of loans secured by real property, business personal property, or unsecured. The borrowers of the loans reside in Santa Barbara and Ventura County.

Allowance for Credit Losses

Effective January 1, 2023, the allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the statement of financial position date. Loan losses are charged off against the allowance for credit losses on loans when the Organization determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans.

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as difference in underwriting standards, portfolio mix, or delinquencies, as well as for changes in environmental conditions, such as changes in unemployment rates, collateral values, or other relevant factors.

Expected credit losses are estimated on a collective basis for groups of loans that share similar risk characteristics. For loans that do not share similar risk characteristics with other loans such as collateral dependent loans, expected credit losses are estimated on an individual basis. Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments.

Although management believes the allowance for credit losses on loans to be adequate, ultimate losses may vary from its estimates. At least quarterly, the Board of Directors reviews the adequacy of the allowance for credit losses on loans, including consideration of the relevant risks in the portfolio, current economic conditions and other factors.

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

Investments

Investments in marketable equity and debt securities are stated at market value. All gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless required by donors to be reinvested in net assets with donor restrictions. As a result of reporting investments at market value, the Organization reports changes in market values on a portfolio basis as unrealized gains or losses. In years where investments are sold, the realized gains or losses are reported and the changes in unrealized gains or losses on a portfolio basis is also reported.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, if purchased, or at estimated fair value, if donated. The Organization capitalizes all expenditures for land, buildings and equipment in excess of $5,000. Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of the asset, as follows:

Leasehold improvements	5 years
Furniture and equipment	5 years
Website development costs	3 years
Website domain	10 years

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are reported at the net present value of estimated future cash flows. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when conditions on which they depend on are met.

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the Consolidated Statement of Financial Position. As of December 31, 2024, no deferred revenue was recognized under conditional grants in the Consolidated Statement of Financial Position.

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

Fees for Service

Fees for service are charged for training and advisory services provided. Fees for services are recognized as revenue as the classes or consulting is provided. Revenues are recognized throughout the billing cycle as services are provided, with any amounts earned but not received as of year end recorded as a receivable.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2024 were $15,342.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the Organization. The current portion of the liability, if material, is recognized at year-end. The entire compensated absences liability is reported on the Statement of Financial Position. All regular, active, full-time employees accrue between 15 and 25 days of paid vacation per 12-month period, with the accrual increasing based on the term of employment. A maximum equal to two times the annual accrual rate may be accrued.

Income Taxes

WEV and WFS are nonprofit entities exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. WEV and WFS file exempt organization returns in the U.S. federal jurisdiction and with the California Franchise Tax Board. The Organization is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. WEV and WFS did not generate any unrelated business income during the year ended December 31, 2024.

WEV and WFS are not under examination by the Internal Revenue Service for any open tax years.

Leases

The Organization leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use ("ROU") assets, and operating lease liabilities on the Consolidated Statement of Financial Position. Finance leases, if any, are included in financing ROU assets, and lease liabilities – financing on the Consolidated Statement of Financial Position.

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

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or ROU assets on the Consolidated Statement of Financial Position.

The Organization has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the Consolidated Statement of Financial Position date. The following table reflects the Organization's financial assets as of December 31, 2024, reduced by amounts not available for general expenditures within one year, as applicable:

Financial Assets:	
Cash and cash equivalents	$ 156,170
Cash and cash equivalents for lending	1,052,020
Contracts and grants receivable	157,168
Pledges receivable, current and long-term	128,856
Loans receivable, net - current and long-term	1,273,137
Interest on loans receivable	3,378
Accounts receivable - other	27,161
Employee retention credit receivable	228,121
Investments	2,556,527
Financial Assets at Year End	5,582,538
Less: Amounts unavailable for general expenditures within one year, due to:	
Donor imposed restrictions	(1,385,805)
Payment terms on loans receivable	(682,341)
Financial Assets Available for General Expenditures Within One Year	$ 3,514,392

As part of its liquidity management plan, the Organization monitors liquidity required and cash flows to meet operating needs on a monthly basis. The Organization structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

The Organization may experience budgetary shortfalls due to the unpredictability and timing of the receipt of grants and donations. To manage liquidity, the Organization maintains an operating reserve of $175,000 and a $1,600,000 line of credit. In addition, the Organization has $1,947,414 functioning as an endowment, which is available for general expenditures with the Board of Directors' approval.

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. PLEDGES RECEIVABLE

The Organization has established an allowance for uncollectible pledges of 10% based on historical collections. A discount factor of 2% is applied to amounts receivable in excess of one year. At December 31, 2024, pledges receivable are collectible as follows:

In one year or less	$	104,995
Between 2 and 5 years		33,881
In 5 years or more		1,417
Gross Pledges Receivable		140,293
Less: Discount on pledges receivable		(2,608)
Allowance for uncollectible pledges receivable		(8,829)
Pledges Receivable, Net	$	128,856

4. LOANS RECEIVABLE AND CURRENT EXPECTED CREDIT LOSS

The Organization provides loans primarily to small businesses. Future maturities of loans receivable as follows as of December 31, 2024:

Years Ending December 31,		
2025*	$	607,139
2026		337,604
2027		239,786
2028		112,013
2029		28,450
Gross Loans Receivable		1,324,992
Less: Allowance on credit losses		(51,855)
Loans Receivable, Net	$	1,273,137

* 2025 maturities include forgivable loans of $210,000.

The Organization elected to exclude accrued interest receivable from the amortized cost basis of loans. As of December 31, 2024, accrued interest receivable for loans totaled $3,378 and is included in interest on loans receivable on the Consolidated Statement of Financial Position.

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

4. LOANS RECEIVABLE AND CURRENT EXPECTED CREDIT LOSS (Continued)

A summary of the activity in the allowance for credit losses on loans for the year ended December 31, 2024 is as follows:

Small business loans:		
Allowance for credit losses - Beginning of year	$	(36,989)
Provision for credit losses		(14,866)
Allowance for Credit Losses - End of Year	$	(51,855)

The following table shows the aging analysis for the loan portfolio by time period that is past due as of December 31, 2024:

Small business loans past due by time :		
Current	$	1,267,511
30-89 days past due		5,051
More than 90 days past due (non-accrual)		575
Total Loans	$	1,273,137

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation and amortization. Depreciation expense was $30,480 for the year ended December 31, 2024.

The components of property, plant and equipment as of December 31, 2024 are as follows:

Furniture and equipment	$	47,226
Leasehold improvements		10,873
Website		80,457
Total		138,556
Less: Accumulated depreciaton and amortization		(79,556)
Property, Plant and Equipment, Net	$	59,000

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization uses various valuation approaches to determine the fair value of assets and liabilities within a hierarchy that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. The fair value hierarchy of pricing inputs used to measure the fair value of assets and liabilities falls into a three-tier level, as follows:

- **Level 1 inputs:** Quoted prices in active markets for identical assets that the Organization has the ability to access at the measurement date.
- **Level 2 inputs:** Quoted prices for similar assets and market-corroborated inputs.
- **Level 3 inputs:** The Organization's own assumptions about market participation, including unobservable assumptions about risk, developed based on the best information available in the circumstances. The Organization had no Level 3 investments at December 31, 2024.

The fair values of investments reported in the accompanying Consolidated Statement of Financial Position measured on a recurring basis at December 31, 2024 are as follows:

	Fair Value at 12/31/2024	Level 1	Level 2
Money market funds	$ 61,231	$ 61,231	$ -
Domestic Equities Fund	376,879	376,879	-
International Equities Fund	112,935	112,935	-
Domestic Fixed Income Funds	1,843,976	1,843,976	-
International Fixed Income Funds	61,027	61,027	-
Certificate of Deposit	100,479	-	100,479
Total Investments	$ 2,556,527	$ 2,456,048	$ 100,479

For the year ended December 31, 2024, investment returns consisted of the following:

Interest and dividend income	$ 112,106
Realized gain on investments	451,420
Unrealized loss	(236,811)
Investment fees	(28,651)
Total Investment Return, Net	$ 298,064

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7. LINE OF CREDIT

The Organization has a line of credit with Montecito Bank and Trust (MBT) in the amount of $1,600,000 that expires in May 2032. Maximum borrowings are limited to the lesser of the maximum principal amount of the note or 60% of the eligible balance of the cash and investments managed by MBT, whichever is lower. The line of credit is collateralized by a security interest in the cash and investments managed by MBT. The interest rate is variable, with a floor rate of 2.75% and a ceiling of 17%. The interest rate at December 31, 2024 was 7%. The outstanding balance of the line of credit on December 31, 2024 was $864,690.

8. LOAN PAYABLE

In April 2020, the Organization obtained a loan from Banc of California (formerly, Pacific Western Bank) for the amount of $300,000. The loan carries an interest rate of 2%. The loan matures in December 2025, at which time the full balance of principal and any unpaid interest is due. The outstanding balance at December 31, 2024 was $200,000.

9. SUBORDINATED LOANS PAYABLE

In April 2019, the Organization received funding in the amount of $500,000 from Wells Fargo to make small business loans, provide employment training, and to refinance an existing loan in the amount of $250,000. The loan is subordinated to all other creditors of the Organization except for other similar subordinated lenders and carries an interest rate of 2%. Quarterly principal payments begin in April 2029 at $62,500 until paid in full. The loan matures in April 2031. The outstanding balance at December 31, 2024 was $500,000.

In April 2019, the Organization refinanced an existing COIN Investment as a subordinated loan in the amount of $250,000. The loan is subordinated to all other creditors of the Organization except for other similar subordinated lenders and carries an interest rate of 2.5%. The loan matures in May 2025, at which time the full balance of principal and any unpaid interest is due. The Organization is currently in the process of extending the maturity date of the loan. The outstanding balance at December 31, 2024 was $250,000.

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

9. SUBORDINATED LOANS PAYABLE (Continued)

Total future maturities for subordinated loans are as follows:

Years Ending December 31,	Amount
2025	$ 250,000
2026	-
2027	-
2028	-
2029	187,500
Thereafter	312,500
Total Subordinated Loans Payable	$ 750,000

10. ADVANCES RECEIVED FOR LENDING PURPOSES

These advances are to fund loans made by the Small Business Loan Fund. The advances bear no interest, and the Organization retains the income generated from the loans. In the event of a default, the loan will be written off and the related advance will be reduced by the amount written off. As loans mature and are repaid, the funds are returned to the loan fund to be used for additional loans. Subsequent to December 31, 2024, one of the funders reprioritized the use of their funds and requested that $120,000 of the advances be returned. As a result, $120,000 has been reflected as a current liability in the Consolidated Statement of Financial Position at December 31, 2024.

11. EMPLOYEE RETIREMENT

The Organization has a SIMPLE IRA plan covering eligible employees. Enrollment in the plan takes place on January 1 of each year. Employees are eligible to participate if they earn at least $5,000 during the prior calendar year and are expected to earn at least that in the subsequent year. The Organization matches employee contributions up to 3%. Plan expense incurred during the year ended December 31, 2024 was $41,165.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specific purpose:		
Lending	$	393,008
Loan loss reserve		38,256
Programs		142,660
Regional		64,146
Subject to the passage of time		138,856
Subject to endowment spending policy and appropriation		268,575
Endowment to be held in perpetuity		340,304
Total Net Assets with Donor Restrictions	$	1,385,805

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024:

Net assets released from donor restrictions:		
Loan loss reserve	$	1,259
Programs		69,129
Regional		104,631
Administrative		2,834
Subject to the passage of time		105,297
Total Net Assets Released from Donor Restrictions	$	283,150

13. OPERATING LEASES

During the year ended December 31, 2024, the Organization had three lease agreements expiring in July 2026, March 2028 and April 2029. Total lease expense for the year ended December 31, 2024 was $159,029. The Organization classifies the total discounted lease payments that are due in the next twelve months as current. The weighted average discount rate for the operating leases is 2.32%. The weighted-average lease term for the operating leases is 2.3 years.

13. OPERATING LEASES (Continued)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

Years Ending December 31,	Amount
2025	$ 171,977
2026	124,371
2027	45,585
2028	9,087
2029	596
Total Lease payments	351,616
Less: Interest	(10,879)
Present Value of Lease Liabilities	$ 340,737

The facility lease expiring in July 2026 was amended to reduce the leased space, with a corresponding reduction in rent, and to extend the lease term to June 30, 2027. The amendment was signed in 2024 and is effective January 1, 2025 at a monthly base rent of $4,167, subject to an annual increase of 3%. The change in terms will be accounted for as a lease modification beginning January 1, 2025 at which time the operating lease asset and remaining lease liability will be adjusted accordingly.

14. ENDOWMENT FUNDS

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as restricted net assets in perpetuity (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets to be held in perpetuity is classified as net assets subject to endowment spending policy and appropriation until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

14. ENDOWMENT FUNDS (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the various funds
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of no more than 7%, while growing the funds if possible.

Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of no less than 7% annually. Actual returns in any given year may vary from the amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy to distribute annually no more than 7% of the endowment funds, based on the average portfolio balances at the end of the preceding three years. In the event that the principal value of the endowment funds is reduced below the corpus amount, distributions will be reduced accordingly in compliance with the standard of prudence prescribed by UPMIFA. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

14. ENDOWMENT FUNDS (Continued)

Change in endowment net assets for the year ended December 31, 2024:

		With Donor Restrictions		
	Without Donor Restrictions	Investment Appreciation	In Perpetuity	Total
Endowment Net Assets - Beginning of Year	$ 2,468,630	$ 213,706	$ 340,304	$ 3,022,640
Investment return, net	229,424	54,869	-	284,293
Expenditures	(750,640)	-	-	(750,640)
Endowment Net Assets - End of Year	$ 1,947,414	$ 268,575	$ 340,304	$ 2,556,293

Endowment net asset composition by type is as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Investment Appreciation	In Perpetuity	Total
Endowments:				
Subject to appropriation and expenditure when a specific event occurs:				
Available for general use	$ -	$ 268,575	$ -	$ 268,575
To be held in perpetuity	-	-	340,304	340,304
Board designated	1,947,414	-	-	1,947,414
Endowment Net Assets	$ 1,947,414	$ 268,575	$ 340,304	$ 2,556,293

15. EMPLOYEE RETENTION CREDIT

An Employee Retention Credit (ERC) is considered to be a government grant accounted for as a conditional contribution which is recognized as revenue in the period in which the conditions are met. During 2023, the Organization received an ERC of $581,057. Because reasonable assurance of fulfilling the conditions for additional funds was previously uncertain, a receivable for the remainder of the funds of $228,121 was not recorded until December 31, 2024, when reasonable assurance was fulfilled. The remaining funds were received from the Internal Revenue Service subsequent to year end.

16. CONTINGENCIES, RISKS AND UNCERTAINTIES

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

17. SUBSEQUENT EVENTS

The Organization has reviewed the accompanying consolidated financial statements and evaluated subsequent events through June 25, 2025, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WOMEN'S ECONOMIC VENTURES AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Women's Economic Ventures	WEV Funding Solutions	Eliminating Entries	Total
REVENUES, GAINS AND OTHER SUPPORT:				
Government support for operations	$ 2,048,838	$ -	$ -	$ 2,048,838
Contributions and grants:				
Individual contributions	212,308	-	-	212,308
Corporate contributions	547,731	-	-	547,731
Foundation grants	325,820	120,000	-	445,820
Education program fees	76,714	-	-	76,714
Fees for service	130,713	-	-	130,713
Interest income from lending	53,686	15,787	-	69,473
Fees earned from lending	4,226	1,008	-	5,234
Investment return, net	294,536	3,528	-	298,064
Employee retention credit	228,121	-	-	228,121
Other income	1,879	-	-	1,879
Total Revenues, Gains and Other Support	3,924,572	140,323	-	4,064,895
EXPENSES:				
Program services	3,090,930	40,240	-	3,131,170
Management and general	490,991	50	-	491,041
Development and fundraising	213,019	-	-	213,019
Total Expenses	3,794,940	40,290	-	3,835,230
Change in Net Assets	$ 129,632	$ 100,033	$ -	$ 229,665

See Accompanying Independent Auditor's Report