

Financial Statements

WINDY HILL FOUNDATION, INC.
AND SUBSIDIARIES

December 31, 2023

GENERAL ORGANIZATIONAL DATA

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

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TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-3
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FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Financial Statements	8-25

SUPPLEMENTARY INFORMATION

Consolidating Schedule of Financial Position	26
Consolidating Schedule of Activities	27
Consolidating Schedule of Functional Expenses	28
Consolidating Schedule of Cash Flows	29

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Windy Hill Foundation, Inc. and Subsidiaries
Middleburg, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Windy Hill Foundation, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Windy Hill Foundation, Inc. and Subsidiaries as of December 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Levis Hill House, LP, a wholly owned subsidiary, which statements reflect total assets constituting 17 percent of total assets as of December 31, 2023, and total revenues constituting 10 percent. Levis Hill House, LP was not wholly owned for the year ended December 31, 2022 and therefore was not consolidated into the 2022 financial statements. Those statements were audited by other auditors, whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for Levis Hill House Limited Partnership, is based solely on the report of the other auditors. See Note 17.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Windy Hill Foundation, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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 Windy Hill Foundation, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Windy Hill Foundation, 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Windy Hill Foundation, 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.

Other Information

We did not audit the financial statements of Levis Hill House, LP, a limited partnership, for which WHF-I, Inc., a subsidiary, serves as a non-controlling general partner, the investment in which, as discussed in Note 17 to the financial statements, is accounted for by the equity method of accounting. WHF Levis Hill, LLC serves as a controlling limited partner, see Note 17. The investment in Levis Hill House, LP was \$135,960 at December 31, 2023. The financial statements of Levis Hill House, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Levis Hill House, LP, is based solely on the report of the other auditors. We did not audit the financial statements of The Plains Housing, LP, a limited partnership, for which WHF-II, Inc., a subsidiary, serves as a non-controlling general partner the investment in which, as discussed in Note 17 to the financial statements, is accounted for by the equity method of accounting. The investment in The Plains Housing, LP was \$300,000 at December 31, 2023. The financial statements of The Plains Housing, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for The Plains Housing, LP, is based solely on the report of the other auditors. We did not audit the financial statements of Shreveport Ridge, LP, a limited partnership, for which WHF-III, Inc., a subsidiary, serves as a non-controlling general partner, the investment in which, as discussed in Note 17 to the financial statements, is accounted for by the equity method of accounting. There was no investment in Shreveport Ridge, LP at December 31, 2023. The financial statements of Shreveport Ridge, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Shreveport Ridge, LP is based solely on the report of the other auditors. We did not audit the financial statements of Washburn Place, LP, a limited partnership, for which WHF-V, Inc., a subsidiary, serves as a non-controlling general partner, the investment in which, as discussed in Note 17 to the financial statements, is accounted for by the equity method of accounting.

The investment in Washburn Place, LP was \$864,445 at December 31, 2023. The financial statements of Washburn Place, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Washburn Place, LP is based solely on the report of the other auditors. We did not audit the financial statements of Heronview GP, LLC, a limited liability company, for which WHF-VII, Inc. a subsidiary, serves as a non-controlling general partner, the investment in which, as discussed in Note 17 to the financial statements, is accounted for by the equity method of accounting. There was no investment in Heronview GP, LLC at December 31, 2023. The financial statements of Heronview GP, LLC were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Heronview GP, LLC is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Windy Hill Foundation, Inc. and Subsidiaries taken as a whole. The consolidating financial statements on pages 27-30 are presented for purposes of additional analysis and are not a required part of the financial statements. This supplementary 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit the information is fairly stated in all material respects in relation to the consolidated financial statements as whole.

Report on Summarized Comparative Information

We have previously audited Windy Hill Foundation, Inc. and Subsidiaries 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated October 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leesburg, Virginia
November 19, 2024

Mitchell, Burns & Co., P.C.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

(with December 31, 2022 comparative totals)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,085,496	\$ 446,546
Accounts receivable	2,282	26,756
Accrued contributions	116,099	10,213
Pledge receivable, current portion	105,000	85,500
Prepaid expenses	38,405	17,303
Total current assets	<u>1,347,282</u>	<u>586,318</u>
Noncurrent assets		
Cash and cash equivalents, restricted	130,049	78,189
Investments	1,127,161	1,087,839
Beneficial interest in assets held by others	269,660	254,320
Pledge receivable	60,000	80,000
Operating lease right-of-use asset	19,209	36,397
Development costs	66,395	43,696
Developer fee receivable	391,177	408,598
Due from subsidiaries	1,930,297	2,690,276
Investment in subsidiaries	1,300,405	2,154,477
Intangible assets, net of accumulated amortization of \$32,814	32,727	6,953
Property and equipment, net of accumulated depreciation of \$6,818,126	6,034,724	4,012,912
	<u>11,361,804</u>	<u>10,853,657</u>
Total assets	<u>\$ 12,709,086</u>	<u>\$ 11,439,975</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 138,165	\$ 66,728
Accrued payroll	24,324	3,768
Prepaid rents	2,129	5,538
Operating lease liability, current portion	17,709	17,188
Mortgage and notes payable, current portion	346,640	389,385
Total current liabilities	<u>528,967</u>	<u>482,607</u>
Due to developer	5,000	-
Security deposits	38,802	22,320
Operating lease liability	1,500	19,209
Mortgage and notes payable	3,642,747	2,843,332
Total liabilities	<u>4,217,016</u>	<u>3,367,468</u>
Net assets		
Without donor restrictions		
Undesignated	1,297,202	(299,689)
Invested in capital assets net of related debt	2,045,337	1,749,938
Subsidiary loans receivable	1,930,297	2,690,276
Invested in subsidiaries	1,300,405	2,154,477
Designated for endowment	67,572	61,640
With donor restrictions	1,851,257	1,715,865
Total net assets	<u>8,492,070</u>	<u>8,072,507</u>
Total liabilities and net assets	<u>\$ 12,709,086</u>	<u>\$ 11,439,975</u>

See Notes to Financial Statements.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**
(with December 31, 2022 summary comparative totals)

	2023			2022 Total
	Unrestricted	With Donor Restrictions	Total	
SUPPORT AND REVENUE				
Public Support				
Contributions	\$ 685,062	\$ 208,695	\$ 893,757	\$ 1,194,413
In kind donations	24,933	-	24,933	9,245
Grants	10,500	163,900	174,400	80,585
Gala, net of expenses of \$73,854	124,754	-	124,754	121,532
Total public support	<u>845,249</u>	<u>372,595</u>	<u>1,217,844</u>	<u>1,405,775</u>
Revenue				
Rental income	402,510	-	402,510	324,937
Development fees	206,144	-	206,144	27,329
Interest and dividends	-	23,727	23,727	38,214
Investment income, net of fess of \$1,879	(76,381)	151,319	74,938	(474,261)
Other income	2,816	-	2,816	1,600
	<u>535,089</u>	<u>175,046</u>	<u>710,135</u>	<u>(82,181)</u>
Net assets released from restriction:				
Satisfaction of usage restrictions	412,249	(412,249)	-	-
Total support and revenues	<u>1,792,587</u>	<u>135,392</u>	<u>1,927,979</u>	<u>1,323,594</u>
EXPENSES				
Program services	1,199,750	-	1,199,750	1,124,452
Supportive services:				
Management and general	230,757	-	230,757	226,327
Fundraising	77,909	-	77,909	82,549
Total expenses	<u>1,508,416</u>	<u>-</u>	<u>1,508,416</u>	<u>1,433,328</u>
Change in net assets	284,171	135,392	419,563	(109,734)
Net assets, beginning of year	<u>6,356,642</u>	<u>1,715,865</u>	<u>8,072,507</u>	<u>8,182,241</u>
Net assets, end of year	<u>\$ 6,640,813</u>	<u>\$ 1,851,257</u>	<u>\$ 8,492,070</u>	<u>\$ 8,072,507</u>

See Notes to Financial Statements.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

(with December 31, 2022 summary comparative totals)

	Program Services	Supporting Services		2023	2022
		Management & General	Fundraising		
Salaries and wages	\$ 224,771	\$ 59,714	\$ 45,577	\$ 330,062	232,066
Payroll taxes	19,350	5,140	3,923	28,413	20,470
Employee benefits	12,903	3,428	2,616	18,947	-
Total personnel costs	257,024	68,282	52,116	377,422	252,536
Insurance	34,860	19,255	-	54,115	31,136
Interest	134,537	32,123	-	166,660	144,019
Professional services	45,177	80,882	-	126,059	102,694
Program expenses:					
Financial education	33,968	-	-	33,968	160,124
Resident services	50,842	-	-	50,842	55,798
Other direct program costs	-	-	-	-	65,299
Dues and subscriptions	1,896	504	384	2,784	-
Maintenance	154,649	3,156	-	157,805	146,855
Management fees	39,523	-	-	39,523	25,074
Utilities	41,413	845	-	42,258	48,806
Office expenses	23,600	7,557	5,769	36,926	23,339
Bank and credit card fees	-	2,027	-	2,027	1,490
Rent expense	12,503	3,322	2,535	18,360	19,228
Rent subsidy	82,386	-	-	82,386	84,599
Development	-	-	12,691	12,691	9,184
Taxes and fees	4,209	1,831	-	6,040	4,236
Depreciation/amortization	261,397	2,640	-	264,037	206,957
Bad debt	-	2,550	-	2,550	-
Miscellaneous expense	21,766	5,783	4,414	31,963	51,954
Total expenses	\$ 1,199,750	\$ 230,757	\$ 77,909	\$ 1,508,416	\$ 1,433,328

See Notes to Financial Statements.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

(with December 31, 2022 comparative totals)

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ 419,563	\$ (109,734)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in right of use asset	17,188	(36,397)
Change in lease liability	(17,188)	36,397
Depreciation and amortization	264,037	206,956
Unrealized (gains) losses on investments	(133,480)	472,866
Investment (income) loss restricted for permanent reinvestment	-	(62,805)
(Increase) decrease in assets:		
Accounts receivable	24,474	(3,416)
Accrued contributions	(105,886)	(10,213)
Pledged contribution receivable	500	(175,713)
Subsidiary notes receivable	-	3,000
Development costs	(22,699)	(43,696)
Prepaid expenses	(21,102)	(2,252)
Developer fee receivable	17,421	40,820
Increase (decrease) in liabilities:		
Accounts payable	71,437	18,625
Accrued payroll	20,556	3,768
Security deposits	16,482	535
Prepaid rents	(3,409)	2,416
Restricted donation	-	(55,000)
Net cash provided by operating activities	547,894	286,157
Cash Flows From Investing Activities		
Sales/maturities of investments	109,627	-
Purchase of investments	(40,889)	(12,021)
Proceeds from CFLNFC	10,080	14,130
Purchase of property and equipment	(202,161)	(791,881)
Levis Hill House, LP limited partner buyout	(10,000)	-
Levis Hill House, LP initial consolidation	80,659	-
Net cash (used in) investing activities	(52,684)	(789,772)
Cash Flows From Financing Activities		
Investment income(loss) restricted for permanent reinvestment	-	62,805
Loan fees	(8,324)	-
Principal payments on notes payable	(396,076)	(201,447)
Proceeds from notes payable	600,000	595,000
Net cash provided by financing activities	195,600	456,358
Net increase (decrease) in cash, cash equivalents and restricted cash	690,810	(47,257)
Cash, Cash Equivalents and restricted cash		
Beginning of year	524,735	571,992
End of year	\$ 1,215,545	\$ 524,735
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 162,279	\$ 139,051
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 18,000	\$ 14,032

See Notes to Financial Statements

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Windy Hill Foundation, Inc. (“the Foundation”) and subsidiaries (“Windy Hill”) was organized to provide safe, decent, and affordable housing to low-income families and older adults in Loudoun and Fauquier Counties and to encourage self-improvement and self-sufficiency among our residents.

Windy Hill Development Company, LLC (the “Development Company”), a subsidiary, was incorporated for the purpose of providing real estate development, consulting, and construction management services for the benefit of the Foundation and the programs conducted by it.

WHF-I, Inc., a subsidiary, was incorporated for the purpose of acquiring, owning, and holding a partnership interest in, and serving as the general partner of a Virginia limited partnership that was formed to acquire, own, develop and operate affordable housing. The Foundation is the sole shareholder in WHF-I, Inc. There is no activity in WHF-I, Inc. beyond that of the limited partnership.

Levis Hill House Limited Partnership (“Levis”) was formed in September 2005, under the laws of the Commonwealth of Virginia, for the purpose of constructing and operating a 20-unit apartment community (“Levis Hill House Apartments”), located in Middleburg, Virginia. The community was financed with a Virginia Housing Development Authority (“VHDA”) multi-family loan and Federal Low Income Housing Tax Credits (LIHTC) and therefore is regulated by VHDA as to rent charges and operating methods. The apartment community began operations in September 2008. The management of the Partnership and the ongoing management of Levis Hill House Apartments are vested in the partners. The Partnership has hired TM Associates Management, Inc., an affiliate of one of the Developers, to provide day to day management for the property. Compensation for such services is as determined under the partnership and management agreements. WHF-I, Inc. serves as general partner but is not identified as a controlling general partner. During 2023, WHF Levis Hill, LLC was created to buy out the limited partner shares of Levis. From that point forward, the activities and balances of Levis are consolidated into the financials of Windy Hill.

WHF-II, Inc., a subsidiary, was incorporated for the purpose of acquiring, owning, and holding a partnership interest in, and serving as the general partner of a Virginia limited partnership that was formed to acquire, own, develop and operate affordable housing. The Foundation is the sole shareholder in WHF-II, Inc. There was no activity in WHF-II, Inc. beyond that of the limited partnership.

The Plains Housing, LP (“The Plains”) was formed in March 2010, under the laws of the Commonwealth of Virginia, for the purpose of constructing and operating a 16-unit apartment community (“Piedmont Lane”) located in The Plains, Virginia. The community was financed with a Virginia Housing Development Authority (“VHDA”) multi-family loan and Federal Low Income Housing Tax Credits (LIHTC) and therefore is regulated by VHDA as to rent charges and operating methods. The apartment community began operations in March 2012. The management of the Partnership and the ongoing management of Piedmont Lane are vested in the partners. The Partnership has hired TM Associates Management, Inc., an affiliate of one of the Developers, to provide day to day management for the property. Compensation for such services is as determined under the partnership and management agreements. WHF-II, Inc. serves as general partner but is not identified as a controlling general partner.

WHF-III, Inc., a subsidiary, was incorporated for the purpose of acquiring, owning, and holding a partnership interest in, and serving as the general partner of a Virginia limited partnership that was formed to acquire, own, develop and operate affordable housing. The Foundation is the sole shareholder in WHF-III, Inc. Activity in WHF-III, Inc. relates to partnership distributions and the related taxes.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Nature of Activities (Continued)

Shreveport Ridge Limited Partnership (“Shreveport”) was formed in March 2012 under the laws of the Commonwealth of Virginia, for the purpose of constructing and operating a 98 unit affordable housing community located in the Brambleton, Virginia area. The community was financed with LIHTC and therefore is regulated by VHDA as to rent charges and operating methods. The management of the Partnership and the ongoing management is vested in the general partners. The Partnership has hired TM Associates Management Inc., an affiliate of one of the Developers, to provide day to day management of the property. Compensation for such services is as determined under the partnership and management agreements. WFH-III, Inc. serves as one of the general partners but is not identified as the controlling general partner.

WHF-V, Inc., a subsidiary was incorporated for the purpose of acquiring, owning and holding a partnership interest in, and serving as the general partner of a Virginia limited partnership that was formed to acquire, own, develop and operate affordable housing. The Foundation is the sole shareholder in WHF-V, Inc. There was no activity in WHF-V, Inc. beyond that of the limited partnership.

Washburn Place Limited Partnership (“Washburn”) was formed in February 2015 under the laws of the Commonwealth of Virginia, for the purpose of constructing and operating a 30 unit affordable housing community located in Marshall, Virginia. The community was financed with a Virginia Housing Development Authority (“VHDA”) multi-family loan and Federal Low Income Housing Tax Credits (LIHTC) and therefore is regulated by VHDA as to rent charges and operating methods. The management of the Partnership and the ongoing management is vested in the general partner. The Partnership has hired TM Associates Management Inc., an affiliate of one of the Developers, to provide day to day management of the property. Compensation for such services is as determined under the partnership and management agreements. WHF-V serves as the general partner but is not identified as a controlling general partner.

WHF-VII, Inc., a subsidiary was incorporated for the purpose of acquiring, owning and holding a partnership interest in, and serving as the general partner of a Virginia limited liability company that was formed to acquire, own, develop and operate affordable housing. The Foundation is the sole shareholder in WHF-VII, Inc. There was no activity in WHF-VII, Inc. beyond that of the limited liability company.

Heronview VA LLC was formed in February 2016 under the laws of the Commonwealth of Virginia, for the purpose of constructing and operating a 96 unit affordable housing community located in Ashburn Virginia. The community was financed with Federal Low Income Housing Tax Credits. The management of the Company and the ongoing management is vested in the general partner, Heronview GP LLC. Construction on this project began in late 2017 and was completed in 2019. The Partnership has hired GEM Management, LLC, an affiliate of one of the Developers, to provide day to day management of the property. WHF-VII is a member of Heronview GP LLC but is not a controlling member.

Significant Accounting Policies

A summary of Windy Hill’s significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting: Windy Hill utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Basis of Presentation: Financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as defined in the FASB Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations”. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restriction: Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restriction: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Rental Income: Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between Windy Hill and its tenants are operating leases.

Cash and Cash Equivalents: Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds, certificates of deposit, and petty cash.

Investments: Investments are stated at fair market value. Investments consist of mutual funds.

Accounts Receivable: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. There was no reserve for bad debts were at December 31, 2023.

Fair Value of Financial Instruments: Windy Hill considers the recorded value of its financial assets and liabilities, which consist primarily of cash and cash equivalents, accounts receivable, and accounts payable to approximate the fair value of the respective assets and liabilities as of December 31, 2023 based on the short-term nature of the assets and liabilities.

Intangible Asset: Loan costs in connection with Windy Hill’s permanent financing are amortized over the life of the related loans using the straight-line method. As of December 31, 2023, combined capitalized costs totaled \$44,661 with accumulated amortization of \$32,814 and an unamortized balance of \$12,477. Website costs totaling \$20,880 are also capitalized.

Rental Property: Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statements of Operations.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

The rental property is depreciated over estimated service lives as follows:

Description	Years	Method
Buildings and improvements	20 - 27.5	Straight-Line
Land improvements	10 - 15	Straight-Line
Furnishings and equipment	5 - 7	Straight-Line

Windy Hill reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2023.

Members' Equity: Profit and loss of Windy Hill Development is allocated to Windy Hill Foundation, Inc. as its sole member.

Levis Partners' Equity: Profit and loss is to be allocated to WHF-I, Inc. (.01%) ("Levis General Partner"), Boston Capital Tax Credit Fund XXIX, a Limited Partnership (99.99%), ("Levis Investment Limited Partner") and BCCC, Inc. (0%) ("Levis Special Limited Partner") (collectively the "Levis Limited Partners") other than special allocations (as defined by the Levis Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Levis Partnership Agreement. During 2023, WHF Levis Hill, LLC was created to buyout the Limited Partner Shares.

The Plains Partners' Equity: Profit and loss is to be allocated to WHF-II, Inc. (.01%) ("The Plains General Partner"), Boston Capital Tax Credit Fund XXXIV, a Limited Partnership, (99.99%) ("The Plains Investment Limited Partner") and BCCC, Inc. (0%) ("The Plains Special Limited Partner") (collectively, "The Plains Limited Partners") other than special allocations (as defined by The Plains Partnership Agreement) and certain other items that would be specifically allocated to the partners in accordance with The Plains Partnership Agreement.

Shreveport Partners' Equity: Profit and loss is to be allocated to WHF-III, Inc. (.005%) and MARG Rural, LLC (.005%) (General Partners) and Hudson Shreveport Ridge, LLC (99.99%), (Investment Limited Partner) other than special allocations to the partners in accordance with the Partnership Agreement.

Washburn Partners' Equity: Profit and loss is to be allocated to WHF-V, Inc. (.005%) and MARG Rural, LLC (.005%) (General Partners) and BCCTC Fund XLI, LP (99.99%), (Investment Limited Partner) other than special allocations to the partners in accordance with the Partnership Agreement.

Heronview VA, LLC Equity: Profit and loss is to be allocated to Heronview GP, LLC (.009%) (General Partner), Red Stone Equity Manager, LLC (.001%) (Special Investor Member) and RSEP Holdings, LLC (99.99%) (Investor Member). The profit and lost allocated to Heronview GP LLC is allocated to WHF-VII, Inc. (49%) and Flatiron Holdings LLC (51%) other than special allocations to the members in accordance with the operating agreement.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Donated Non-cash Assets: Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The value of donated services included as contributions in the financial statements for 2023 was \$24,933. The services provided were legal and consulting.

Advertising: Advertising costs are expensed as incurred.

Contributions: Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realized value.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Revenue Recognition: WHF program revenues are generated primarily from contributions, development fees, special events and rental income. Contributions are recognized when received or pledged. Development fees are contractual and are recognized as earned per the contract agreement. WHF operates one special event annually. All associated revenues are recognized in the year of the event. Rental income is recognized monthly as earned per leases with residents.

Statement of Cash flows: ASU 2016-18, *Statement of Cash flows (Topic 230): Restricted Cash*, requires amounts generally described as restricted cash or cash equivalents be included in the total cash and cash equivalents at the beginning and the end of the period for which changes are shown in the statement of cash flows. It also requires that the face of the statement of cash flows or the notes to the financial statements present a reconciliation when cash and cash equivalents (restricted or unrestricted) are shown in more than one line on the statement of financial position.

Levis, The Plains and Washburn Place Allowable Distributions to Partners: Under the Loan Agreement for VHDA financed projects, distributions to partners from funds provided by rental operations are allowed, provided: 1) surplus cash, as defined by VHDA, is available for such purposes; 2) the project is in compliance with all outstanding notices of requirements for proper maintenance; 3) there is no default under the Regulatory Agreement or under the mortgage note; and 4) distributions are approved by the investors. There were no distributions during 2023.

Shreveport and Heronview Allowable Distributions to Partners: Per the operating agreement and Loan Agreement with Capital One (lender), distributions to partners from funds provided by rental operations are allowed provided cash flow is available and the lender approves. There were no distributions from Heronview or Shreveport during 2023.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Functional Expenses: The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Management allocates all costs directly when possible. Accordingly, certain costs have been allocated among program services and supporting services benefited such allocations are determined by management based on their natural cost driver. The expenses that are allocated include the following:

Natural Category	Allocation Method
Personnel costs	Time and effort
Office expenses	Time and effort

Note 2. Income Taxes

Foundation: The Foundation was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code November 28, 1983.

Development: For federal income tax purposes, Development is taxed on all income from unrelated business activities reduced by expenses from unrelated business activities for which a profit motive exists. Unrelated business income is not offset by tax exempt function expenses. As the sole member of the Development Company, the Foundation files IRS Form 990-T, which has graduated tax rates of 15% to 34% that are applied to net unrelated business taxable income. No provision or benefit for taxes has been included in the financial statements since the Development Company has been operating at a loss and has net operating losses that are being carried forward. There is no deferred benefit related to the net operating losses because the benefit has been fully reserved due to the uncertainty of recovery.

Subsidiaries: WHF-I, Inc., WHF-II, Inc., WHF-III, Inc., WHF-V and WHF-VII as C-Corporations, file their own returns utilizing IRS Form 1120. During 2023, WHF Levis Hill, LLC and WHF-VIII, Inc. were created which will be considered a disregarded entities for tax purposes and filed within the Foundation IRS Form 990.

Levis, The Plains, Shreveport, Washburn and Heronview (the partnerships): No provision or benefit for income taxes has been included in these financial statements since taxable income passes through to, and is reportable by, the partners individually. The partnerships file the required IRS Form 1065.

Windy Hill accounts for uncertainty in income taxes in accordance with Accounting Standards Codification (“ASC”) 740 Income Taxes. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Windy Hill determined that all income tax filing positions would be sustained upon examination and accordingly, has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions pursuant to ASC 740 Income Taxes as of December 31, 2023. Windy Hill’s income tax returns for the tax years 2020, 2021, 2022, and 2023 remain subject to examination by a taxing authority.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Cash Equivalents and Concentrations of Credit Risk

At December 31, 2023, banking cash deposits and reported cash deposits consist of the following:

Description	Foundation	Developmen t Co.	Owned Properties	Total 12/31/2023	Bank Balances
Unrestricted Cash and cash equivalents:					
Atlantic Union Bank	\$ 5,149	\$ 218,864	\$ 153,935	\$ 377,948	\$ 406,293
Bank of Charles Town	427,489	-	-	427,489	504,828
Oak View Bank	279,509	-	-	279,509	279,509
Petty cash	-	-	550	550	-
Total unrestricted cash and cash equivalents	712,147	218,864	154,485	1,085,496	1,190,630
Restricted cash and cash equivalents:					
Atlantic Union Bank	-	-	112,261	112,261	86,173
Wells Fargo	16,448	-	-	16,448	16,448
Charles Schwab - money market	1,340	-	-	1,340	1,340
Total restricted cash and cash equivalents	17,788	-	112,261	130,049	103,961
Total cash, cash equivalents and restricted cas	\$ 729,935	\$ 218,864	\$ 266,746	\$1,215,545	\$1,294,591

Windy Hill maintains its cash in financial institutions insured by Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. Windy Hill has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2023, the Atlantic Union Bank, Bank of Charles Town, and Oak View Bank balances exceeded FDIC insurance limits by \$242,466, \$254,828, and \$29,509 respectively. The cash at Charles Schwab was held in a money market fund which is insured by SIPC private insurance. Restricted cash balances consist of tenant security deposits and money required to be held as a condition of a loan.

Note 4. Investments and Fair Value Measurements

A summary of investments at December 31, 2023 is as follows:

Description	Cost	Carrying Value Fair Value	Accumulated Unrealized Gain/(Loss)
Schwab accounts			
Bond mutual fund	\$ 693,754	\$ 751,990	\$ 58,236
Equity mutual fund	53,419	49,170	(4,249)
Fidelity Investments			
Equity mutual fund	140,883	326,001	185,118
	\$ 888,056	\$ 1,127,161	\$ 239,105

FASB has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Windy Hill has the ability to access.
- Level 2:* Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.
- Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments and Fair Value Measurements (Continued)

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments carried or disclosed at fair value:

Bond Mutual Funds: Valued at the net asset value ("NAV") of shares held by Windy Hill at year end.

Equity Mutual Funds: Valued at the net asset value ("NAV") of shares held by Windy Hill at year end.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of the Organization's year end date:

December 31, 2023	Level 1	Level 2	Level 3	Total
Bond mutual funds	\$ 751,990	\$ -	\$ -	\$ 751,990
Equity mutual funds	375,171	-	-	375,171
Total	<u>\$ 1,127,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,161</u>

Note 5. Property and Equipment

The following is a summary of property and equipment at December 31, 2023:

Description	Foundation	Afordable			Consolidated
		Housing	Post Office	Levis Hills	Total
Land	\$ -	\$ 1,430,514	\$ 281,045	\$ 365,000	\$2,076,559
Buildings and improvements	-	5,164,402	365,525	4,721,230	10,251,157
Roads	-	147,576	-	-	147,576
Furnishings and equipment	165,064	40,012	-	172,482	377,558
	165,064	6,782,504	646,570	5,258,712	12,852,850
Less: accumulated depreciation	(142,211)	(3,444,861)	(15,621)	(3,215,433)	(6,818,126)
	<u>\$ 22,853</u>	<u>\$3,337,643</u>	<u>\$ 630,949</u>	<u>\$2,043,279</u>	<u>\$6,034,724</u>

Note 6. Due from Subsidiaries

In addition to amounts invested in the Windy Hill subsidiaries (see Note 17), Windy Hill loaned money to the subsidiaries during development. Payments are made to Windy Hill based on available cash flow. The following amounts were outstanding balances at December 31, 2023:

Description	Amount
Due from The Plains Housing, LP	\$ 651,255
Due from Heronview VA	500,000
Due from Washburn Place, LP	775,000
Due from Shreveport Ridge, LP	4,042
	<u>\$ 1,930,297</u>

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 7. Beneficial Interest in Assets Held by Others

Windy Hill has established agency endowment funds with Community Foundation for Loudoun and Northern Fauquier Counties (Community Foundation) which were valued at \$269,660 as of December 31, 2023. The funds are intended as perpetual endowments for charitable purposes and are dedicated to the payment of grants from time to time as calculated under the Foundations Distributions Policy. The funds are subject to the terms and provisions of the articles of incorporation and bylaws of the Foundation including the ability of the Board of Directors of the Foundation to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Foundation Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

A summary of beneficial interest assets held by Community Foundation for the benefit of Windy Hill at December 31, 2023 is as follows:

<u>Description</u>	<u>Net Assets</u>
Stated fair value January 1, 2023	\$ 254,320
Earnings and fair value increases 2023	28,858
Fees paid	(3,438)
Disbursements made to Windy Hill	(10,080)
	<u>\$ 269,660</u>

Note 8. Pledged Contributions

Windy Hill has received contribution pledges which are to be paid and funded over a period of years. These pledges of future contribution payments are estimated to be collected as below:

<u>Year pledge to be paid</u>	<u>Amount</u>
2024	\$ 105,000
2025	20,000
2026	20,000
2027	20,000
	<u>\$ 165,000</u>

Due to the uncertain timing of collections, no discount has been recorded.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 9. Mortgage and Notes Payable

Mortgage and project notes payable consist of the following at December 31, 2023:

Description	Amount
\$1,500,000 secured note payable to Oak View National Bank dated December 7, 2017, interest at 5.25%, payable in 19 quarterly payments of \$26,978 with a final balloon payment due on October 7, 2022. Extended to October 7, 2027 with monthly payments of \$3,397 at an interest	\$ 438,835
\$1,800,000 secured note payable to Bank of Charles Town dated September 27, 2018, interest at 3.50%, payable in 83 monthly payments of \$9,060 with a final balloon payment due on	1,560,692
\$100,000 note payable to Loudoun County, Virginia dated June 23, 2010, interest at 1.00%, interest only payments until June 2010, payable after which in 468 monthly payments of \$258	66,296
\$240,000 note payable to Oak View National Bank dated February 4, 2019, interest at 5.25%, payable in 59 monthly payments of \$1,449 with a final balloon payment due on February 4,	214,527
\$120,000 note payable to Southeast Rural Community Assistance Project, Inc. dated October 15, 2015, interest at 4%, payable in monthly principal and interest payments of \$470.19. Annual payments will be made and held to pay off any remaining balance at the due date of	108,587
\$40,000 note payable to Southeast Rural Community Assistance Project, Inc. dated October 15, 2015, interest at 4%, payable in monthly principal and interest payments of \$156.72. Annual payments will be made and held to pay off any remaining balance at the due date of October 15,	36,527
\$295,000 note payable to Oak View National bank dated April 20, 2022, interest at 4.25%, payable in 59 monthly payments of \$1,836.61 with a final balloon payment due on April 20,	278,938
\$152,348 mortgage to Atlantic Union Bank dated December 9, 2021, interest at 3.50%, payable in 59 monthly payments of 895.26 each with a last payment of \$124,106 due on December 9,	140,294
\$600,000 note payable to Oak View National Bank dated May 17, 2023, interest at 6.95% payable in 59 monthly payments of \$4,671.35 with a final balloon payment due on May 17,	591,945
Total Windy Hill Foundation	<u>3,436,641</u>
Add: Levis Hill House, LP:	
\$930,000 mortgage note payable to Virginia Housing. 30 year term at 2.55%. Monthly principal and interest installments of \$3,699 are due through maturity until 2039. The mortgage note is secured by a mortgage on the real estate an assignment of rents and	552,746
	<u>3,989,387</u>
Less: current portion	<u>(346,640)</u>
Total Consolidated	<u><u>\$ 3,642,747</u></u>

There has been no significant change in interest rates available to the Windy Hill. Therefore, the fair value of the mortgage notes approximates the book values.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 9. Mortgage and Notes Payable (Continued)

Maturities of the loan, mortgages, and notes payable are as follows:

Year	Amount
2024	\$ 346,640
2025	1,723,815
2026	206,551
2027	699,513
2028	559,050
Thereafter	453,818
	<u>\$ 3,989,387</u>

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions are as follows:

Purpose	Balance	2023 Activity		Balance
	12/31/2022	Additions	Uses	12/31/2023
Education fund	\$ 115,032	\$ 25,500	\$ (85,799)	\$ 54,733
Deferred maintenance & emergency funds	-	125,000	(30,450)	94,550
Resident services coordinator	-	30,000	(30,000)	-
Wetlands Study	3,500	-	-	3,500
The Plains projects	173,700	65,900	(60,261)	179,339
Volunteer coordinator	6,739	8,900	(5,850)	9,789
Post Office purchase and maintenance	150,000	-	(150,000)	-
Cottages refurbishment	-	100,000	-	100,000
J. Mascatello Trail	91,020	-	-	91,020
Donna Gravely fund	2,789	15,570	-	18,359
Endowment	1,173,085	176,771	(49,889)	1,299,967
	<u>\$ 1,715,865</u>	<u>\$ 547,641</u>	<u>\$ (412,249)</u>	<u>\$ 1,851,257</u>

Note 11. Endowment Fund

Windy Hill's endowment includes both donor-restricted funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board 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. The endowment funds are held in investment accounts and an account held at the Community Foundation, see Note 7. The Organization has established an Endowment Committee which is guided by Investment Policies established by the Board. The primary objective of the policies is to provide a regular cash flow and if possible, long term capital appreciation while prudently managing risk through the diversification of investments that meet the Organization's risk tolerance.

Per the endowment policy, the Organization is entitled to take draws of 4% per year. During 2023, the Organization took their normal distributions from the Community Foundation as well as additional distributions to meet the 4% allowed.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 11. Endowment Fund (Continued)

Changes in endowment net assets as of December 31, 2023 are as follows:

Description	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 61,640	\$ 1,173,085	\$ 1,234,725
Contributions	-	1,725	1,725
Investment earnings(loss)	5,932	175,046	180,978
Amount appropriated for expenditure	-	(49,889)	(49,889)
Endowment net assets, end of year	<u>\$ 67,572</u>	<u>\$ 1,299,967</u>	<u>\$ 1,367,539</u>

A summary of net assets designated for endowment are as follows:

Description	Amount
Investments	\$ 1,127,161
Beneficial Interest in Assets held by Community Foundation	269,660
	<u>\$ 1,396,821</u>

Note 12. Contingency Fee Income (Unaudited)

The Shreveport Ridge, the Woods, Washburn and Heronview projects contain various contingency fee payout provisions based on certain criteria being met and achieved. Upon meeting these specific criteria items, Windy Hill would be paid a developer fee. At December 31, 2023 there were no outstanding contingent developer fees balances remaining.

Note 13. Guarantees

Levis Operating Deficit Guaranty: The Levis Partnership Agreement provides for an operating deficit guaranty, whereby the Guarantors, or an affiliate, shall be obligated to provide up to \$50,000 to satisfy any operating deficits over a defined period commencing on the certificate of occupancy date to permit Levis to meet all reasonable costs of operations. Such funding shall be treated as a non-interest-bearing loan and be payable as cash flow permits as determined by the Levis Partnership Agreement. The Guarantors do not receive a fee for providing this guaranty. The Guarantors have not advanced any funds to Levis pursuant to this agreement.

Levis Tax Credit Guaranty: The Levis Partnership Agreement was amended to include the guaranty associated with Levis' allocation of Federal Housing Tax Credits. Levis is allocated Federal Housing Tax Credits under the program described by the IRC Section 42. The Levis Partnership Agreement provides for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to the Levis Investment Limited Partner when compared to what was projected or the Levis Investment Limited Partner is at any time obligated to recapture credits previously claimed. The Levis Investment Limited Partner shall reduce its required capital contribution by the amount of the shortfall (as defined in the Levis Partnership Agreement). In the event that the Levis Investment Limited Partner's capital contribution cannot be reduced, the Guarantors will pay the Levis Investment Limited Partner up to a specified amount detailed in the Levis Partnership Agreement for the credits lost. Amounts paid by the Guarantors pursuant to this agreement shall be treated as a non-interest-bearing loan and be payable as cash flow permits as determined by the Levis Partnership Agreement. The Guarantors do not receive a fee for providing this guaranty. There were no credit reduction payments made during 2023.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 13. Guarantees (Continued)

The Plains Operating Deficit Guaranty: The Plains Partnership Agreement also provides for an operating deficit guaranty, whereby The Plains General Partner, or an affiliate, shall be obligated to provide up to \$120,000 to satisfy any operating deficits over a defined period commencing after rental achievement to permit The Plains to meet all reasonable costs of operations. Such funding shall be treated as a non-interest-bearing loan and be payable as cash flow permits as determined by The Plains Partnership Agreement. The Plains General Partner does not receive a fee for providing this guaranty. The Plains General Partner has not advanced any funds to The Plains pursuant to this agreement.

The Plains Tax Credit Guaranty: The Plains has been allocated Federal Housing Tax Credits under the program described by the IRC Section 42. The Plains Partnership Agreement provides for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to The Plains Limited Partners when compared to what was projected or The Plains Limited Partners are at any time obligated to recapture credits previously claimed. The Plains Limited Partners shall reduce their required capital contribution by the amount of the shortfall (as defined in The Plains Partnership Agreement). In the event that The Plains Limited Partners' capital contribution cannot be reduced, the Guarantors will pay The Plains Limited Partners up to a specified amount detailed in The Plains Partnership Agreement for the credits lost. Amounts paid by the Guarantors pursuant to this agreement shall be treated as a non-interest-bearing loan and be payable as cash flow permits as determined by The Plains Partnership Agreement. The Guarantors does not receive a fee for providing this guaranty.

Shreveport Operating Deficit Guaranty: The Shreveport Partnership Agreement provides for an operating deficit guaranty from the General Partners after all funds have been depleted from the Operating Reserve. The guaranty requires the General partners to provide up to \$512,308 to satisfy any operating deficits over a defined period to permit the Partnership to meet all reasonable cost of operations. Such funding shall be treated as a non-interest-bearing loan and be payable as cash flow permits as determined by the Partnership Agreement. The General Partners do not receive a fee for providing this guaranty. No funds have been advanced to the Partnership pursuant to the agreement.

Shreveport Tax Credit Guaranty: Shreveport has been allocated Federal Housing Tax Credits under the program described by the IRC Section 42 and Federal Business Energy Investment Tax Credits described in IRC Section 48 and expanded by ARRA in 2009. The Shreveport Partnership Agreement provides for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to Shreveport's Limited Partners when compared to what was projected or Shreveport's Limited Partners are at any time obligated to recapture credits previously claimed. Shreveport's Limited Partners shall reduce their required capital contribution by the amount of the shortfall (as defined in Shreveport Partnership Agreement). In the event that Shreveport's Limited Partners' capital contribution cannot be reduced, the Guarantors will pay Shreveport's Limited Partners up to a specified amount detailed in Shreveport's Partnership Agreement for the credits lost. Amounts paid by the Guarantors pursuant to this agreement shall be treated as a capital contribution to the Partnership, as determined by the Partnership Agreement. The Guarantors does not receive a fee for providing this guaranty.

Washburn Operating Deficit Guaranty: The Washburn Partnership Agreement provides for an operating deficit guaranty from the General Partner after all funds have been depleted from the Operating Reserve. The guaranty requires the General partner or an affiliate, to provide up to \$200,000 to satisfy any operating deficits over a defined period to permit the Partnership to meet all reasonable cost of operations. Such funding shall be treated as a non-interest bearing loan and be payable as cash flow permits as determined by the Partnership Agreement. The General Partner does not receive a fee for providing this guaranty. No funds have been advanced to the Partnership pursuant to the agreement.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 13. Guarantees (Continued)

Washburn Tax Credit Guaranty: Washburn has been allocated Federal Housing Tax Credits under the program described by the IRC Section 42. Washburn Partnership Agreement provides for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to the Investment Limited Partner when compared to what was projected or the Investment Limited Partner are at any time obligated to recapture credits previously claimed. The Investment Limited Partner shall reduce their required capital contribution by the amount of the shortfall (as defined in the Partnership Agreement). In the event that the Limited Partner's capital contribution cannot be reduced, the Guarantors will pay the Investment Limited Partners up to a specified amount detailed in Washburn Partnership Agreement for the credits lost. Amounts paid by the Guarantors pursuant to this agreement shall be treated as a non-interest bearing loan and be payable as cash flow permits, as determined by the Partnership Agreement. The Guarantors does not receive a fee for providing this guaranty.

Washburn Performance Bond: Washburn has a \$300,000 performance bond with Fauquier County. This bond is insured with Travelers Casualty and Surety Company of America (Travelers). WHF is the guarantor on the surety agreement with Travelers.

Note 14. Related Party Transactions

Levis Advances: As Developer, Windy Hill Development Company advanced funds to Levis to pay certain construction related costs. The amount owed to Windy Hill Development Company related to these advances was \$51,042 at December 31, 2023. This advance was eliminated in the consolidated financial statements.

Levis Note Payable: Levis entered into a non-interest bearing note payable with The Foundation totaling \$800,000. Principal is due in monthly installments of \$667, as cash flow of the Partnership permits. The entire unpaid balance is due on December 31, 2037. At December 31, 2023, the unpaid balance is \$740,224. This loan was eliminated in the consolidated financial statements.

Levis Partnership Management Fee: Levis shall pay to the Levis General Partner a non-cumulative annual partnership administrative fee for their services in connection with the administration of the day to day business of Levis, in the amount of \$2,000, to the extent there is cash available from operations. No partnership administrative fee was paid during 2023.

The Plains Note Payable: The Plains entered into a non-interest bearing note payable with WHF-II totaling \$700,000. Principal is due annually, the second year after project completion, in the amount of \$7,000 from cash flow as defined in the Partnership agreement. An additional amount of \$22,000 was advanced in 2022. At December 31, 2023, the unpaid balance is \$624,010.

The Plains Partnership Management Fee: The Plains shall pay to The Plains General Partner a cumulative annual partnership management fee in the amount of \$1,200, increasing annually by two percent (2%). No partnership management fee was paid in 2023. Accrued and unpaid partnership management fees as of December 31, 2023 totaled \$14,601 and are included in Due to Partners. These fees will be paid contingent on cash available from operations.

The Plains Incentive Management Fee: The Plains shall pay to The Plains General Partner a non-cumulative incentive management fee. The fee is payable solely from available cash flow and is equal to sixty percent (60%) of any remaining cash flow available for distribution, not to exceed twelve percent (12%) of the gross revenues of The Plains. No incentive management fee was paid in 2023.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 14. Related Party Transactions (Continued)

Washburn Advances: Windy Hill Foundation advanced funds to Washburn for certain construction related expenses. The amount outstanding at December 31, 2023 was \$110,000. This is a non interest bearing note with annual payments to begin once developer fees and the below advances are paid.

Washburn Due from: Windy Hill Foundation advanced funds to Washburn to cover various rehabilitation costs of the project. The amount owed in relation to these advances as of December 31, 2023 totaled \$165,000.

Washburn Place Note payable: Windy Hill Foundation received a \$500,000 grant from Federal Home Loan Bank to be used for affordable housing. The grant was loaned to Washburn Place to complete the construction of the project. If the project does not remain affordable housing for 15 years, the grant will need to be repaid to the Bank. Assuming this condition is met, repayment to Windy Hill is 30 years. No interest will accrue, unless conditions are not met.

Heronview VA, LLC: Windy Hill Foundation received a \$500,000 grant from Federal Home Loan Bank to be used for affordable housing. The grant was loaned to Heronview to complete the construction of the project. If the project does not remain affordable housing for 15 years, the grant will need to be repaid to the Bank. Assuming this condition is met, repayment to Windy Hill is 30 years. No interest will accrue, unless conditions are not met.

Note 15. Operating Lease

WHF entered into an operating lease with Jay Street Properties commencing March 2022. The lease terminates January 31, 2025. WHF will pay monthly installments of \$1,500.

The components of operating lease expenses that are included in the statement of activities for the year ended December 31, 2023 were as follows:

Description	Amount
Operating lease cost	\$ 18,000
Variable lease cost	-
	<u>\$ 18,000</u>

Weighted average lease term and discount rate as of December 31, 2023 were 1.09 years, and 3%, respectively.

Future minimum office rent lease commitment is as follows:

For the year ending:	Amount
2024	\$ 18,000
2025	<u>1,500</u>
Total	19,500
Less: interest portion	<u>(291)</u>
Operating lease liability	<u>\$ 19,209</u>

WHF has entered into a month-to-month temporary storage space lease. Total 2023 rent for this unit is \$1,320. The lease standard, *FASB ASC 842*, did not apply due to the month-to-month nature of the lease.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 16. Availability and Liquidity

The following represents Windy Hill's financial assets at December 31, 2023:

<u>Description</u>	<u>Amount</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 1,215,545
Contributions and current pledges receivable	221,099
Investments	<u>1,127,161</u>
Total financial assets	<u>2,563,805</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	1,851,257
Board designated endowment	67,572
Restricted cash	<u>130,049</u>
	<u>2,048,878</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 514,927</u>

Note 17. General Partnership Investments

WHF, I, Inc., a Virginia corporation is a .01% general partner in Levis Hill House Limited Partnership. WHF, I has an investment of \$135,960 in Levis Hill House Limited Partnership. During 2023, WHF Levis Hill, LLC was created and bought out the previous limited partner in Levis Hill House Limited Partnership for \$10,000. Windy Hill gained full control of Levis Hill House Limited Partnership and therefore, during 2023 began consolidating in the activities and balances of Levis Hill House Limited Partnership.

WHF, II, Inc., a Virginia corporation is a .01% general partner in The Plains Limited Partnership. Management has not identified WHF, II, Inc. as being the controlling entity and therefore the 2023 transactions have not been consolidated herein. WHF, II has an investment of \$300,000 in The Plains Limited Partnership.

WHF, III, Inc., a Virginia corporation, is a .005% general partner in Shreveport Ridge Limited Partnership along with MARG Rural, LLC, a West Virginia limited liability company. Management has not identified WHF, III, Inc. as being the controlling entity and therefore the 2023 transactions have not been consolidated herein.

WHF, V, Inc., a Virginia corporation, is a .005% general partner in Washburn Place Limited Partnership along with MARG Rural, LLC, a Virginia limited liability company. Management has not identified WHF, V, Inc. as being the controlling entity and therefore the 2023 transactions have not been consolidated herein. WHF, V has an investment of \$864,445 in Washburn Place Limited Partnership.

WHF, VII, Inc., a Virginia corporation, is a 49% member in Heronview GP, LLC, which is a .009% general partner in Heronview VA, LLC. Management had not identified WHF, VII, Inc. as being the controlling entity and therefore the 2023 transactions have not been consolidated herein.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 17. General Partnership Investments (Continued)

The following is a summary of the 2023 balance sheet and profit and loss of the Partnerships audited by other auditors, who issued an unqualified opinion on the financial statements:

Item	Audited by Other Auditors				
	Levis Hill House, LP	The Plains, LP	Shreveport Ridge, LP	Washburn Place, LP	Heronview VA LLC
Cash deposits	\$ 21,950	\$ 7,701	\$ 51,188	\$ 5,312	\$ 259,917
Restricted deposits	53,833	37,792	535,485	274,541	1,068,451
Accounts receivable	-	16,561	11,441	3,027	21,432
Prepaid expenses	1,771	1,091	6,301	2,048	7,014
Capitalized costs	-	5,847	39,810	20,628	-
Rental property	2,043,279	2,952,350	12,927,702	6,730,161	24,062,436
Total assets	\$ 2,120,833	\$ 3,021,342	\$ 13,571,927	\$ 7,035,717	\$ 25,419,250
Accounts payable	\$ 23,588	\$ 64,926	\$ 18,198	\$ 61,915	\$ 36,463
Due to developer	56,042	-	-	-	807,194
Accrued interest	1,186	4,370	-	12,727	86,989
Tenant security deposits - other	15,170	15,573	98,918	33,092	22,292
Notes Payable	1,292,970	1,837,038	5,402,278	3,815,484	9,934,821
Partners' Equity	731,877	1,099,435	8,052,533	3,112,499	14,531,491
Total liabilities & equity	\$ 2,120,833	\$ 3,021,342	\$ 13,571,927	\$ 7,035,717	\$ 25,419,250
Rental income	\$ 212,733	\$ 224,653	\$ 1,249,781	\$ 461,084	\$ 1,453,983
Vacancies	(13,102)	(14,004)	(50,209)	(49,543)	(32,556)
Interest income	1,771	1,032	5,197	6,975	8,994
Other income	465	15,783	8,666	13,000	107,646
Total income	201,867	227,464	1,213,435	431,516	1,538,067
Operating expenses	144,573	155,999	681,217	268,512	712,964
Non operating repairs	-	-	-	-	-
Entity expenses	-	-	-	-	27,173
Insurance claim expenses	-	-	-	-	-
Interest expense	14,911	53,735	311,739	157,995	544,703
Management fee	1,000	2,984	3,593	6,440	5,464
Depreciation and Amortization	173,578	160,007	668,528	373,932	738,804
Total expenses	334,062	372,725	1,665,077	806,879	2,029,108
Net income (loss)	\$ (132,195)	\$ (145,261)	\$ (451,642)	\$ (375,363)	\$ (491,041)

Note 18. WHF Future Property Value Revenue

WHF retains a significant residual interest in Levis Hill House, LP, The Plains Housing, LP, Shreveport Ridge, LP, Washburn Place, LP and Heronview VA, LLC. At the expiration of the tax credit periods, each property interest can be sold or Windy Hill can exercise its option to purchase the remaining partner's interest. In September 2023, WHF purchased the partner's interest in Levis Hill House, LP.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Note 19. Contingent Obligation

WHF received government sponsored funding to help fund the Washburn and Heronview projects. The funding was distributed to the projects as a loan, see Note 9. If the projects do not remain affordable housing for at least 15 years, the funding will need to be repaid. The contingent obligation is summarized as follows:

Description	Contingent Obligation
Federal Home Loan Bank Affordable Housing Program funding:	
2018	\$ 500,000
2019	500,000
	<u>\$ 1,000,000</u>

Note 20. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended December 31, 2022 of the prior year, from which the summarized information was derived.

Note 21. Subsequent Events

Windy Hill has evaluated subsequent events through November 19, 2024, the date these financial statements were available to be issued. Based on the definitions and requirements of the U.S. generally accepted accounting principles, management has not identified any events that have occurred subsequent to December 31, 2023 that require adjustment to, or disclosure in, the financial statements for the year ended December 31, 2023.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2023

	Foundation & Disregarded Entities	Controlled Entities				Consolidated Total
		WHF-I	WHF-II	WHF-III	WHF-V	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 1,085,496	\$ -	\$ -	\$ -	\$ -	\$ 1,085,496
Accounts receivable	2,282	-	-	-	-	2,282
Accrued contributions	116,099	-	-	-	-	116,099
Pledge receivables, current	105,000	-	-	-	-	105,000
Prepaid expenses	35,579	-	-	2,826	-	38,405
Total current assets	1,344,456	-	-	2,826	-	1,347,282
Noncurrent assets						
Cash and cash equivalents, restricted	130,049	-	-	-	-	130,049
Investments	1,127,161	-	-	-	-	1,127,161
Beneficial interest in assets held by others	269,660	-	-	-	-	269,660
Pledge receivables	60,000	-	-	-	-	60,000
Operating lease right-of-use asset	19,209	-	-	-	-	19,209
Investment in subsidiaries	-	135,960	300,000	-	864,445	1,300,405
Developer fees receivable	391,177	-	-	-	-	391,177
Predevelopment costs	66,395	-	-	-	-	66,395
Intercompany note receivables	1,930,297	-	-	-	-	1,930,297
Intangibles, net of accumulated amortization of \$32,814	32,727	-	-	-	-	32,727
Property and equipment, net of accumulated depreciation of \$6,818,126	6,034,724	-	-	-	-	6,034,724
	10,061,399	135,960	300,000	-	864,445	11,361,804
Total assets	\$ 11,405,855	\$ 135,960	\$ 300,000	\$ 2,826	\$ 864,445	\$ 12,709,086
LIABILITIES AND NET ASSETS						
Current liabilities						
Accounts payable and accrued expenses	\$ 138,165	\$ -	\$ -	\$ -	\$ -	\$ 138,165
Accrued payroll	24,324	-	-	-	-	24,324
Prepaid rents	2,129	-	-	-	-	2,129
Due to Windy Hill Foundation, Inc.	(4,042)	-	-	4,042	-	-
Operating lease liability, current	17,709	-	-	-	-	17,709
Notes payable, current portion	346,640	-	-	-	-	346,640
Total current liabilities	524,925	-	-	4,042	-	528,967
Due to developer	5,000	-	-	-	-	5,000
Security deposits	38,802	-	-	-	-	38,802
Operating lease liability	1,500	-	-	-	-	1,500
Mortgage and notes payable	3,642,747	-	-	-	-	3,642,747
Total noncurrent liabilities	3,688,049	-	-	-	-	3,688,049
Total liabilities	4,212,974	-	-	4,042	-	4,217,016
Net assets						
Without donor restrictions						
Undesignated	3,228,715	-	-	(1,216)	-	3,227,499
Invested in capital assets net of related debt	2,045,337	-	-	-	-	2,045,337
Invested in subsidiaries	-	135,960	300,000	-	864,445	1,300,405
Designated for endowment	67,572	-	-	-	-	67,572
With donor restrictions	1,851,257	-	-	-	-	1,851,257
Total net assets	7,192,881	135,960	300,000	(1,216)	864,445	8,492,070
Total liabilities and net assets	\$ 11,405,855	\$ 135,960	\$ 300,000	\$ 2,826	\$ 864,445	\$ 12,709,086

See auditor's report.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Foundation & Disregarded Entities			Controlled Entities				Consolidated Total
	Without Donor Restriction	With Donor Restrictions	Total	WHF-I	WHF-II	WHF-III	WHF-V	
SUPPORT AND REVENUE								
Public Support								
Contributions	\$ 685,062	\$ 208,695	\$ 893,757	\$ -	\$ -	\$ -	\$ -	\$ 893,757
In kind donations	24,933	-	24,933	-	-	-	-	24,933
Grants	10,500	163,900	174,400	-	-	-	-	174,400
Gala, net of expenses of \$73,854	124,754	-	124,754	-	-	-	-	124,754
Total public support	845,249	372,595	1,217,844	-	-	-	-	1,217,844
Revenue								
Rental income	402,510	-	402,510	-	-	-	-	402,510
Development fees	206,144	-	206,144	-	-	-	-	206,144
Interest and dividends	-	23,727	23,727	-	-	-	-	23,727
Investment income, net of fees of \$1,879	11,749	151,319	163,068	(88,130)	-	-	-	74,938
Other income	2,816	-	2,816	-	-	-	-	2,816
	623,219	175,046	798,265	(88,130)	-	-	-	710,135
Net assets released:								
Satisfaction of restrictions	412,249	(412,249)	-	-	-	-	-	-
Total support/revenues	1,880,717	135,392	2,016,109	(88,130)	-	-	-	1,927,979
EXPENSES								
Program services	1,199,750	-	1,199,750	-	-	-	-	1,199,750
Supportive services:								
Management and general	230,757	-	230,757	-	-	-	-	230,757
Fundraising	77,909	-	77,909	-	-	-	-	77,909
Total expenses	1,508,416	-	1,508,416	-	-	-	-	1,508,416
Change in net assets	372,301	135,392	507,693	(88,130)	-	-	-	419,563
Levis house acquisition	765,942	-	765,942	(765,942)	-	-	-	-
Net assets, beginning	4,203,381	1,715,865	5,919,246	990,032	300,000	(1,216)	864,445	8,072,507
Net assets, ending	\$ 5,341,624	\$ 1,851,257	\$ 7,192,881	\$ 135,960	\$ 300,000	\$ (1,216)	\$ 864,445	\$ 8,492,070

See auditor's report.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Foundation & Disregarded Entities				Controlled Entities				Consolidated Total
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total	
Salaries and wages	\$ 224,771	\$ 59,714	\$ 45,577	\$ 330,062	\$ -	\$ -	\$ -	\$ -	\$ 330,062
Payroll taxes	19,350	5,140	3,923	28,413	-	-	-	-	28,413
Employee benefits	12,903	3,428	2,616	18,947	-	-	-	-	18,947
Total personnel costs	257,024	68,282	52,116	377,422	-	-	-	-	377,422
Insurance	34,860	19,255	-	54,115	-	-	-	-	54,115
Interest	134,537	32,123	-	166,660	-	-	-	-	166,660
Professional services	45,177	80,882	-	126,059	-	-	-	-	126,059
Program expenses:									
Financial education	33,968	-	-	33,968	-	-	-	-	33,968
Resident services	50,842	-	-	50,842	-	-	-	-	50,842
Other direct program costs	-	-	-	-	-	-	-	-	-
Dues and subscriptions	1,896	504	384	2,784	-	-	-	-	2,784
Maintenance	154,649	3,156	-	157,805	-	-	-	-	157,805
Management fees	39,523	-	-	39,523	-	-	-	-	39,523
Utilities	41,413	845	-	42,258	-	-	-	-	42,258
Office expenses	23,600	7,557	5,769	36,926	-	-	-	-	36,926
Bank and credit card fees	-	2,027	-	2,027	-	-	-	-	2,027
Rent expense	12,503	3,322	2,535	18,360	-	-	-	-	18,360
Rent subsidy	82,386	-	-	82,386	-	-	-	-	82,386
Development	-	-	12,691	12,691	-	-	-	-	12,691
Taxes and fees	4,209	1,831	-	6,040	-	-	-	-	6,040
Depreciation/amortization	261,397	2,640	-	264,037	-	-	-	-	264,037
Bad debts	-	2,550	-	2,550	-	-	-	-	2,550
Miscellaneous expense	21,766	5,783	4,414	31,963	-	-	-	-	31,963
Total expenses	\$ 1,199,750	\$ 230,757	\$ 77,909	\$ 1,508,416	\$ -	\$ -	\$ -	\$ -	\$ 1,508,416

See auditor's report.

WINDY HILL FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Foundation & Disregarded Entities	Controlled Entities				Consolidated Total
		WHF-I	WHF-II	WHF-III	WHF-V	
Cash Flows From Operating Activities						
Change in net assets	\$ 507,693	\$ (88,130)	\$ -	\$ -	\$ -	\$ 419,563
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Change in right of use asset	17,188	-	-	-	-	17,188
Change in lease liability	(17,188)	-	-	-	-	(17,188)
Depreciation and amortization	264,037	-	-	-	-	264,037
Realized and unrealized (gain) loss on investments	(221,610)	88,130	-	-	-	(133,480)
(Increase) decrease in assets:						
Accounts receivable	24,474	-	-	-	-	24,474
Accrued contributions	(105,886)	-	-	-	-	(105,886)
Pledge receivables	500	-	-	-	-	500
Development costs	(22,699)	-	-	-	-	(22,699)
Prepaid expenses	(21,102)	-	-	-	-	(21,102)
Developer fee receivable	17,421	-	-	-	-	17,421
Increase (decrease) in liabilities:						
Accounts payable and accrued expenses	71,437	-	-	-	-	71,437
Accrued payroll	20,556	-	-	-	-	20,556
Security deposits	16,482	-	-	-	-	16,482
Prepaid rents	(3,409)	-	-	-	-	(3,409)
Net cash provided by operating activities	547,894	-	-	-	-	547,894
Cash Flows From Investing Activities						
Sales/maturities of investments	109,627	-	-	-	-	109,627
Purchase of investments	(40,889)	-	-	-	-	(40,889)
Proceeds from CFLNFC	10,080	-	-	-	-	10,080
Purchase of property and equipment	(202,161)	-	-	-	-	(202,161)
Levis Hills House, LP limited partner buyout	(10,000)	-	-	-	-	(10,000)
Levis Hills House, LP initial consolidation	80,659	-	-	-	-	80,659
Net cash (used in) investing activities	(52,684)	-	-	-	-	(52,684)
Cash Flows From Financing Activities						
Loan fees	(8,324)	-	-	-	-	(8,324)
Proceeds from notes payable	600,000	-	-	-	-	600,000
Principal payments on notes payable	(396,076)	-	-	-	-	(396,076)
Net cash provided by financing activities	195,600	-	-	-	-	195,600
Net increase in cash, cash equivalents and restricted cash	690,810	-	-	-	-	690,810
Cash, cash equivalents and restricted cash						
Beginning of year	524,735	-	-	-	-	524,735
End of year	\$ 1,215,545	\$ -	\$ -	\$ -	\$ -	\$ 1,215,545
Supplemental Disclosures of Cash Flow Information						
Cash paid for interest	\$ 162,279	\$ -	\$ -	\$ -	\$ -	\$ 162,279
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash outflows from operating leases	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000

See auditor's report.