
**THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC.
AND SUBSIDIARIES**

WHEELING, WEST VIRGINIA

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2024



A Professional Limited Liability Company



TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	3 - 4
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 22

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Community Foundation for the Ohio Valley, Inc. and Subsidiaries
Wheeling, West Virginia

Opinion

We have audited the accompanying consolidated financial statements of The Community Foundation for the Ohio Valley, Inc. and Subsidiaries (the Foundation) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, 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 Foundation as of June 30, 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 of the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2024, the Foundation implemented Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to that matter.

Responsibility of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301

MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101

MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505

MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701

MAIN (304) 525-0301
FAX (304) 522-1569

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 the Foundation's ability to continue as a going concern within one year after the date that the consolidated 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 judgement 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 Foundation'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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



Charleston, West Virginia

April 24, 2025

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

5

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,416,241
Promises to give receivable	34,518
Investments, at fair value	<u>90,661,970</u>
Total current assets	<u>93,112,729</u>
Property and equipment, net	713,781
Property held for investment, net	<u>435,000</u>
Total noncurrent assets	<u>1,148,781</u>
Total assets	<u><u>\$ 94,261,510</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 6,528
Grants payable and endowment liabilities	851,519
Mortgage payable	<u>12,416</u>
Total current liabilities	<u>870,463</u>
Long-term liabilities	
Mortgage payable	141,763
Agency funds held for others	<u>2,113,058</u>
Total long-term liabilities	<u>2,254,821</u>
Total liabilities	<u>3,125,284</u>
Net assets	
Without donor restrictions	89,519,874
With donor restrictions	<u>1,616,352</u>
Total net assets	<u>91,136,226</u>
Total liabilities and net assets	<u><u>\$ 94,261,510</u></u>

The accompanying notes are an integral part of these financial statements.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

6

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Contributions	\$ 7,983,115	\$ -	\$ 7,983,115
Investment return, net	8,890,206	295,510	9,185,716
Other	1,006,250	-	1,006,250
Releases from restrictions	51,209	(51,209)	-
	<u>17,930,780</u>	<u>244,301</u>	<u>18,175,081</u>
Total revenues and other support			
Expenses			
Program services	4,258,223	-	4,258,223
Supporting services:			
Management and general	580,237	-	580,237
Fundraising	162,150	-	162,150
	<u>5,000,610</u>	<u>-</u>	<u>5,000,610</u>
Total expenses			
Change in net assets	12,930,170	244,301	13,174,471
Net assets at beginning of year	73,556,208	1,372,051	74,928,259
Prior period restatement	3,033,496	-	3,033,496
Net assets at beginning of year, as restated	<u>76,589,704</u>	<u>1,372,051</u>	<u>77,961,755</u>
Net assets at end of year	<u><u>\$ 89,519,874</u></u>	<u><u>\$ 1,616,352</u></u>	<u><u>\$ 91,136,226</u></u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 164,403	\$ 224,186	\$ 109,603	\$ 498,192
Payroll taxes	41,440	56,509	27,627	125,576
Grant expense	3,702,135	-	-	3,702,135
Professional development	5,581	11,164	-	16,745
Other professional fees	48,824	48,825	-	97,649
Bank fees	976	976	-	1,952
Telephone and communication	17,824	22,281	4,456	44,561
Travel	10,916	-	17,073	27,989
Printing	1,038	1,037	2,073	4,148
Postage	1,318	1,319	1,318	3,955
Repairs and maintenance	4,266	8,532	-	12,798
Miscellaneous expense	205,407	205,408	-	410,815
Depreciation expense	54,095	-	-	54,095
Total	<u>\$ 4,258,223</u>	<u>\$ 580,237</u>	<u>\$ 162,150</u>	<u>\$ 5,000,610</u>

The accompanying notes are an integral part of these financial statements.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

8

Cash flows from operating activities	
Change in net assets	\$ 13,174,471
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Depreciation	54,095
Unrealized (gains) losses on investments	(7,901,749)
(Gain) loss on sale of investments	17,801
(Gain) loss on sale of property held for investment	(27,364)
(Increase) decrease in	
Promises to give receivable	(34,518)
Increase (decrease) in	
Accounts payable	5,153
Grants payable and endowment liabilities	205,802
Agency funds held for others	905,977
<u>Total adjustments</u>	<u>(6,774,803)</u>
Net cash provided (used) by operating activities	<u>6,399,668</u>
Cash flows from investing activities	
Purchases of property and equipment	(1,200)
Purchase of investments, net of proceeds	(8,079,107)
Proceeds from sale of property held for investment	78,891
<u>Net cash provided (used) by investing activities</u>	<u>(8,001,416)</u>
Cash flows from financing activities	
Payments on mortgage payable	(11,749)
<u>Net cash provided (used) by financing activities</u>	<u>(11,749)</u>
Net increase (decrease) in cash and cash equivalents	(1,613,497)
Cash and cash equivalents at beginning of year	<u>4,029,738</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,416,241</u></u>

The accompanying notes are an integral part of these financial statements.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations and basis for consolidation - The Community Foundation for the Ohio Valley, Inc. and Subsidiaries (the Foundation) is a nonprofit corporation. The consolidated financial statements of the Foundation include its wholly owned subsidiaries, The Community Foundation of Jefferson County, Inc. and CFOV Weirton, LLC. The Foundation is responsible for the fiduciary management of donated funds and investment portfolios to provide a source of perpetual support enabling the Foundation to meet its overall objective of providing grants to deserving individuals and organizations in the Upper Ohio Valley and adjoining areas. The Foundation is committed to promoting the well-being of mankind, serving the general public in charitable, educational, or scientific needs through the provision of grants provided at the discretion of the Foundation's Board of Directors.

Basis of accounting - The accompanying consolidated financial statement have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in consolidation.

Financial statement presentation - The Foundation prepares it financial statements in accordance with generally accepted accounting principles.

The Financial Accounting Standards Board issued Financial Accounting Standards Codification (FASB ASC) No. 958-205. Under FASB ASC No. 958-205, defined nonprofits are required to report information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassification between the applicable classes of net assets.

Net assets with voluntary designations by the governing board of the Foundation are considered to be without donor restriction under the guidelines of FASB ASC 958-205-45-2.

Cash and cash equivalents - For the purpose of the consolidated statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

10

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

Grants and Other Receivables - Grants and other receivables are stated at the amount management expects to collect from outstanding balances. The Foundation uses the specific charge-off method to record bad debts. Grants and other receivables are charged to expense when, in the opinion of management, they are uncollectible.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Investments are stated at estimated fair value based on the net asset value per share for certain nonmarketable securities. Nonmarketable securities include alternative investments, such as private equity funds. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

Property and Equipment - Acquisitions of property and equipment in excess of \$500 are capitalized. Capitalized property and equipment are recorded at cost if purchased by the Foundation or recorded at fair market value if received through contribution. Depreciation is computed on the straight-line method based on the class of asset and its expected useful life.

Property Held for Investment - Properties held for investment are initially measured at cost and are subsequently measured at fair value, with changes in the fair value being recognized as a gain or loss.

Classification of Contributions, Grants, and Net Assets - The Foundation records contributions in accordance with professional standards contained in Financial Accounting Standards Board (FASB) codification section 958-605-25, Not-for-Profit Entities – Revenue Recognition – Contributions. Contributions received by the Foundation are reported at their fair values on the date of such gifts. The Foundation presents its net assets and its revenue and gains (losses) based upon the existence or absence of donor-imposed restrictions into two classes: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - The Foundation's policy is to report revenues, gains, and other support that are limited to specific uses by donor-imposed restrictions as increases in net assets without donor restriction when the restrictions are met in the same reporting period as the income recognized. Net assets without donor restriction consist of assets available for operating purposes and amounts designated by the Board of Directors for a specific purpose.

While certain donors and fund holders may make recommendations on distribution of funds, a 501(c)(3) community foundation retains variance power pursuant to the U.S. Treasury regulations. This variance power provides the Foundation's Board of Directors with the ability to modify donor stipulations that are unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. As a result of this variance power, the Foundation's financial statements classify the majority of funds as net assets without donor restriction. For internal management and recordkeeping, the Foundation classifies net assets without donor restriction as follows:

Donor Advised – Fund holder annually recommends grants to specific qualified charities.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11

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

Designated – Fund holder suggests specific eligible organizations to receive charitable grants in the fund agreement. If a designated grantee organization ceases to exist or if the Foundation’s Board of Directors votes that support of the organization is no longer necessary or is inconsistent with the needs in the community, the Foundation works with the fund holder to identify a similar organization to maintain the spirit of the original charitable intent.

Scholarship – Fund holder recommends an academic focus for the scholarship fund (such as nursing, the arts, or engineering) and eligibility criteria (including financial need, academic merit, geographic residence, and/or community service). The Foundation provides oversight and administrative support of the scholarship selection process and manages due diligence.

Field of Interest – Fund holder establishes a fund for unspecified programs or organizations in a general field of interest important to the donor, such as education, historic preservation, children, the elderly, the environment, or arts and culture.

Undesignated – Fund holder provides the Foundation with ongoing operational support to meet changing needs, giving the Foundation the flexibility to respond quickly to emerging community needs and shifting priorities.

All distributions are approved by the Board of Directors, whose charge it is to see that all grants are within the charitable purposes of the Foundation as set forth in the Foundation’s governing instruments.

Net Assets With Donor Restriction - Net assets subject to donor-imposed restrictions must be maintained separate from the net assets absent of donor restriction by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the earnings on related investments for general or specific charitable purposes.

Agency Funds Held for Others - Agency funds are created through contributions made by other nonprofit organizations when the organization or an affiliate is designated as the beneficiary when the fund is created in accordance with FASB ASC 958-605-04, Transfers of Assets to a Not-For-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others. The net assets of these funds are held in trust, by the Foundation, on behalf of the nonprofit organization. The Foundation records a corresponding liability as funds held for others for these assets to reflect the donor's economic interest in the funds. Activities from these funds are recorded as changes in the respective liability. The Foundation does not include the change in investments and the change in funds held for others in the statement of activities.

Grants Payable - Charitable grants are recorded as expenses when the Foundation’s Board of Directors approves them for payment. Generally, all grants are paid within one year. Distributions from agency funds are recorded as a decrease in the amount held for the fund.

Retirement Plan - The Foundation sponsors a 401(k) plan which covers substantially all eligible employees. Contributions to the plan for 2024 were \$14,020.

Fair Value of Financial Instruments - Due to the short-term nature of cash equivalents, receivables, other assets, and accounts payable and other liabilities, fair value approximates reported values.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

12

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

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations - In the regular course of business, the Foundation maintains cash balances at certain financial institutions that may exceed the federally insured amount. Accounts at each financial institution are insured to the limits established by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

Fair Market Value of Financial Instruments - The fair market value of financial instruments has been determined through quoted market rates and discounted cash flow analysis to approximate the amounts in the consolidated statement of financial position.

Income Taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under 509(a)(1) of the Code. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business and not in the furtherance of the purposes in which it was granted exemption. No tax provision has been recorded as the net income, if any, from unrelated trade or business, and in the opinion of management, is not material to the consolidated financial statements taken as a whole. Federal income tax returns for the tax years ended 2021 and beyond remain subject to examination by the Internal Revenue Service.

The Foundation evaluates uncertain tax positions in accordance with FASB ASC 740, Income Taxes, whereby the effect of the uncertainty would be recorded if the tax positions will more likely than not be sustained upon examination. As of June 30, 2024, management believes that the Foundation had no uncertain tax positions requiring accrual or disclosure.

Advertising – The Foundation's policy is to record advertising expenses in the period in which they are incurred. Advertising expenses totaled \$9,180 for the year ended June 30, 2024.

Functional Allocation of Expenses - The costs of providing the various services and programs have been summarized on a functional basis in the statement of functional expenses. Program expenses are those incurred by the Foundation while serving its purpose to promote the well-being of mankind, serving the general public in charitable, educational, or scientific needs through the provision of grants provided at the discretion of the Foundation's Board of Directors. Fundraising expenses are the costs related to activities that involve potential donors contributing to the Foundation. The remaining expenses that relate to the overall direction of the Foundation and are not identifiable with a particular program have been reported as management and general.

Fundraising - Joint costs associated with fundraising consist of compensation which is allocated based on management's estimate of the time spent. Total compensation allocated to fundraising was \$109,603 for the year ended June 30, 2024.

Donated Services - In accordance with ASC 905-605, donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. For the year ending June 30, 2024, no services were received that met the criteria for recognition as donated services.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

13

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

Lease Accounting - Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

New Accounting Standard - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. On July 1, 2023, the Foundation adopted the new accounting standard and all of the related amendments using the modified retrospective method. Adoption of ASC 326 resulted in no impact to the financial statements. The Foundation does not expect ASC 326 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Date of management's review of subsequent events - Management has evaluated subsequent events through April 24, 2025, the date the financial statements were available to be issued.

NOTE 2 - RESTATEMENT OF NET ASSETS

During the year ended June 30, 2024, the Foundation investigated all agency funds held for others and reclassified contributions made to these funds from sources other than the agency itself that resulted in a restatement of net assets. The restatement resulted in adjustments to the Foundation's liability for agency funds held for others of \$3,033,496.

The net effect of the restatement on beginning net assets is as follows:

Net assets, beginning of year, as previously reported	\$ 74,928,259
Correction of prior year errors on beginning net assets	<u>3,033,496</u>
Net assets, beginning of year, restated	<u>\$ 77,961,755</u>

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing.

Financial assets, at year end:	
Cash and cash equivalents	\$ 2,416,241
Promises to give receivable	34,518
Investments	<u>2,677,417</u>
Subtotal financial assets, at year end	<u>\$ 5,128,176</u>

Cash and cash equivalents are held in a business checking account. Investments are held in an investment pool. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 - PROMISES TO GIVE RECEIVABLE

Unconditional Promises to Give Receivable

Unconditional promises to give receivable at June 30, 2024 are as follows:

Receivable in less than one year	\$ 34,518
Receivable in one to five years	<u>-</u>
Total promises to give receivable	<u>\$ 34,518</u>

Changes in unconditional promises to give receivable for the year ended June 30, 2024 are as follows:

Unconditional promises to give receivable - net, beginning of year	\$ -
Unconditional promises to give received	46,024
Payments received	<u>(11,506)</u>
Unconditional promises to give receivable - net, end of year	<u>\$ 34,518</u>

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - INVESTMENTS

Investments consisted of the following at June 30:

	Amortized Cost	Fair Value	Unrealized Appreciation (Depreciation)
Fixed income	\$ 22,866,864	\$ 21,722,203	\$ (1,144,661)
Equities	51,828,637	63,458,421	11,629,784
Oil and gas rights	4,908,491	4,908,491	-
Private equity funds	554,606	572,855	18,249
Totals	<u>\$ 80,158,598</u>	<u>\$ 90,661,970</u>	<u>\$ 10,503,372</u>

Investment return consisted of the following for the year ended June 30, 2024.

Investment income, net	\$ 1,301,768
Net realized gain (loss) on sale of investments	(17,801)
Net unrealized gain (loss) on investments	7,901,749
	<u>\$ 9,185,716</u>

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for those investments relating to agreements subject to spending policy adoption by the Foundation. Those accounts are expected to follow a total return investment policy. The primary objective is to provide for a constant long-term growth of capital, without undue exposure of risk. The objective should be accomplished utilizing a strategy of fixed income, equities, and cash equivalents in a mix which is conducive to protection in rising markets while allowing for protection in falling markets.

Due to the inevitability of short-term market fluctuations which may cause variations in the investment performance, it is intended that the performance objectives will be achieved by the investment managers over a moving 3-year period, net of investment management fees. However, the Foundation reserves the right to evaluate, and make any necessary changes regarding the investment managers over a shorter term using the criteria established.

The Foundation's spending policy is presently 4 percent calculated annually based on a 12-quarter rolling average of the market value of the Foundation's investments. Fees are in addition to the distribution amount.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

16

NOTE 6 - NET ASSET VALUE (NAV) PER SHARE

In accordance with the fair value measurements and disclosures guidance, the category, fair value, redemption frequency, and redemption notice period for investments, the fair value of which are estimated using the NAV per share, as of December 31, 2024, are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equity funds ^(a)	\$ 572,855	\$ 972,947	Illiquid	Illiquid

^(a) These funds are invested in private companies with diverse portfolios that are not publicly traded.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment included the following as of June 30:

Building	\$ 235,990
Building improvements	578,255
Office furniture and equipment	22,625
Total cost	836,870
Less: accumulated depreciation	(123,089)
Net property and equipment	\$ 713,781

Depreciation expense related to these assets was \$54,095 for year ended June 30, 2024.

NOTE 8 - LEASES

The Foundation is the lessor of commercial and residential real estate. The commercial real estate is an operating lease expiring April 2026. The residential real estate is an operating lease on a month-to-month contract. The following is a summary of the property held for lease at June 30:

Land	\$ 43,500
Building improvements	630,370
Total	673,870
Less: accumulated depreciation	(238,870)
Net rental real estate	\$ 435,000

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - LEASES (Continued)

Total rental income received under these agreements was \$48,400 for the year ended June 30, 2024. Future minimum rentals to be received on the non-cancelable commercial lease are \$52,800, and \$44,000 for the years ending June 30, 2025 and 2026, respectively.

NOTE 9 - MORTGAGE PAYABLE

In June of 2018, the Foundation contracted with WesBanco for a business loan in the amount of \$250,000 at a 4.55% interest rate. The Foundation made its first draw on the loan on May 24, 2019. As of June 30, 2024, the outstanding principal balance was \$154,179.

Future expected principal and interest payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 12,416	\$ 6,752	\$ 19,168
2026	12,993	6,175	19,168
2027	13,597	5,571	19,168
2028	14,228	4,940	19,168
2029	14,889	4,278	19,167
Thereafter	86,056	963	87,019
Total	<u>\$ 154,179</u>	<u>\$ 28,679</u>	<u>\$ 182,858</u>

NOTE 10 - ADMINISTRATION MANAGEMENT

The Foundation assesses an administrative charge on all of its funds. This charge is used primarily to support the operations of the Foundation.

The total administrative charges for the year ended June 30, 2024 were \$680,563. The Foundation's policy is to recognize as revenue only the administrative charges relating to agency funds, which it managed and held for other 501 (c)(3) organizations. All other administrative charges are transfers from managed Foundation funds to the general operating account.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTION

The Foundation has variance power over the net assets that it holds for charitable purposes. Donors may designate a beneficiary or purpose to receive charitable grants from a fund when it is created, or establish an advisory committee to recommend grants. However, the Foundation's variance power allows it to have ultimate discretion in directing the use of funds for charitable purposes. Thus, net assets are classified as without donor restriction, unless certain restrictions are stipulated at the time of the contribution or creation of a fund.

Net assets without donor restriction included the following:

Administrative funds	\$ 89,084,874
Rental real estate	435,000
Total net assets without donor restriction	<u>\$ 89,519,874</u>

NOTE 12 - RESTRICTIONS ON NET ASSETS

Net assets with donor restriction at June 30, 2024, consist of funds established to support educational, religious, and community organizations and programs. Contributions to these funds are subject to donor restrictions that may be satisfied when either time or purpose restrictions are met.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

19

NOTE 13 - ENDOWMENT FUNDS

The Foundation has interpreted the West Virginia 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 Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. These funds are classified as net assets with donor restrictions until they are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: the duration and preservation of the fund, the purposes of the Foundation and the donor restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, and other resources of the Foundation. Endowment funds by net asset classification and changes therein for the year ended June 30, 2024 is reflected below.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowments – beginning of year	\$ 55,263,044	\$ 1,342,852	\$ 56,605,896
Endowment activity:			
Contributions	6,733,610	-	6,733,610
Interest and dividends	1,251,862	34,232	1,286,094
Net realized gains (losses)	28,711	(14,347)	14,364
Net unrealized gains (losses)	8,546,812	269,268	8,816,080
Investment fees	(598,836)	(14,724)	(613,560)
Other revenue/expense	533,127	(2,028)	531,099
Grants	(2,024,242)	(34,062)	(2,058,304)
Endowments – end of year	<u>\$ 69,734,088</u>	<u>\$ 1,581,191</u>	<u>\$ 71,315,279</u>

Endowment funds by net asset class are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Unrestricted endowment funds	\$ 238,487	\$ -	\$ 238,487
Field of interest funds	876,513	-	876,513
Donor advised funds	8,645,677	-	8,645,677
Donor advised committee funds	50,450,666	1,581,191	52,031,857
Scholarship funds	9,522,745	-	9,522,745
Total endowment funds	<u>\$ 69,734,088</u>	<u>\$ 1,581,191</u>	<u>\$ 71,315,279</u>

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

20

NOTE 14 - FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, fair value is defined as the price that the Foundation would receive upon selling an asset or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. FASB ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

Level 1 - Quoted prices in active markets for identical assets

Level 2 - Other significant observable inputs (including quoted prices for similar assets, interest rates, prepayment speeds, and credit risk)

Level 3 - Significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of assets)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given asset or liability is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Assets measured on a recurring basis at fair value at June 30, 2024, comprise the following classes:

Investment securities	\$ 85,753,479
Oil and gas rights	4,908,491
Total	<u>\$ 90,661,970</u>

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21

NOTE 14 - FAIR VALUE MEASUREMENTS (Continued)

The fair value of each asset in the table below was measured using FASB ASC 820 input guidance and valuation techniques. The following table sets forth estimated fair values of assets measured and recorded on a recurring basis at June 30, 2024:

	Total	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Fixed income	\$ 21,722,203	\$ -	\$ 21,722,203	\$ -
Equities	63,458,421	63,458,421	-	-
Oil and gas rights	4,908,491	-	-	4,908,491
Total investments at fair value	<u>\$ 90,089,115</u>	<u>\$ 63,458,421</u>	<u>\$ 21,722,203</u>	<u>\$ 4,908,491</u>
Investments in privately offered investment funds (NAV) ^(a)	\$ 572,855	\$ -	\$ -	\$ -
Total investments	<u>\$ 90,661,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

^(a) In accordance with FASB subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended June 30, 2024 are as follows:

	Oil and gas rights
Beginning balance	\$ 4,864,901
Contributions	43,590
Change in fair value	-
Ending balance	<u>\$ 4,908,491</u>

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs. The Foundation uses independent appraisals to value Level 3 assets.

NOTE 15 - RELATED-PARTY TRANSACTIONS

In the normal course of business, the Foundation has utilized marketing and professional services from companies controlled by officers and directors of the Foundation. Expenses incurred for such services were not significant.

THE COMMUNITY FOUNDATION FOR THE OHIO VALLEY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

22

NOTE 16 - RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors could occur and that could affect the amounts reported in the accompanying financial statements.

NOTE 17 - PAYROLL PROTECTION PROGRAM

On June 19, 2020, the Foundation received loan proceeds in the amount of \$66,580 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. This loan was forgiven in 2022.

Loans under \$150,000 made under the PPP program are subject to potential audit by the SBA for four years after the date the loan has been forgiven. Such audit could result in a request for repayment of amounts forgiven. The amount, if any, which may be disallowed cannot be determined at this time, although management believes any such amount would be immaterial.