PHILANTHROPY WEST VIGINIA, INC.
MORGANTOWN, WEST VIRGINIA

FINANCIAL STATEMENTS
TENTATIVE DRAFT
YEARS ENDED DECEMBER 31, 2024 AND 2023

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PHILANTHROPY WEST VIRGINIA, INC.

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PHILANTHROPY WEST VIRGINIA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS

		2024		2023
Current Assets				
Cash	$	408,586	$	472,361
Accounts receivable		7,130		6,425
Prepaid expenses		748		-
Total Current Assets		416,464		478,786
Other Assets				
Rights of use - office lease		-		10,506
TOTAL ASSETS	$	416,464	$	489,292

LIABILITIES AND NET ASSETS

		2024		2023
Current Liabilities				
Accounts payable	$	4,052	$	3,732
Accrued expenses		3,002		9,374
Office lease payable		-		10,506
Deferred revenue		21,850		9,450
Total Current Liabilities		28,904		33,062
Net Assets				
Without donor restrictions		386,597		456,230
With donor restrictions		963		-
Total Net Assets		387,560		456,230
TOTAL LIABILITIES AND NET ASSETS	$	416,464	$	489,292

TENTATIVE DRAFT
for Review and Discussion
- Subject to Change

See accompanying notes and independent accountants' review report.

PHILANTHROPY WEST VIRGINIA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Grants	$ 99,000	$ -	$ 99,000
Donations	10,000	-	10,000
Member investment	75,877	-	75,877
Annual conference	59,550	1,323	60,873
Programs & workshops	3,837		3,837
Interest income	16,486	-	16,486
Other income	75	-	75
Net assets released from restrictions	360	(360)	-
Total revenue and other support	265,185	963	266,148
EXPENSES			
Payroll expenses	212,059	-	212,059
Annual conference and programs	50,399	-	50,399
Contract services	38,810	-	38,810
Facilities & equipment	18,500	-	18,500
Meetings & travel	5,674	-	5,674
Insurance	3,201	-	3,201
Operations	6,175	-	6,175
Total expenses	334,818	-	334,818
Change in Net Assets	(69,633)	963	(68,670)
Net Assets, Beginning of Year	456,230	-	456,230
Net Assets, End of Year	$ 386,597	$ 963	$ 387,560

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PHILANTHROPY WEST VIRGINIA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Grants	$ 149,000	$ -	$ 149,000
Member investment	65,343		65,343
Annual conference	37,410	-	37,410
Programs & workshops	600	-	600
Interest income	5,909	-	5,909
Other income	2,937	-	2,937
Net assets released from restrictions	62,500	(62,500)	-
Total revenue and other support	323,699	(62,500)	261,199
EXPENSES			
Payroll expenses	259,194		259,194
Annual conference and programs	76,354		76,354
Contract services	20,514		20,514
Facilities & equipment	18,455		18,455
Meetings & travel	7,119		7,119
Insurance	5,315		5,315
Bad debt	3,375		3,375
Operations	6,605		6,605
Total expenses	396,931	-	396,931
Change in Net Assets	(73,232)	(62,500)	(135,732)
Net Assets, Beginning of Year	529,462	62,500	591,962
Net Assets, End of Year	$ 456,230	$ -	$ 456,230

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PHILANTHROPY WEST VIRGINIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Expenses	Management and General	Fundraising Expense	Total Expenses
EXPENSES				
Payroll expenses	$ 159,044	$ 42,412	$ 10,603	$ 212,059
Annual conference and programs	50,399	-	-	50,399
Contract services	20,850	17,960	-	38,810
Facilities & equipment	17,575	370	555	18,500
Meetings & travel	5,674	-	-	5,674
Insurance	3,041	64	96	3,201
Operations	3,396	2,779	-	6,175
Total expenses	$ 259,979	$ 63,585	$ 11,254	$ 334,818

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PHILANTHROPY WEST VIRGINIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Expenses	Management and General	Fundraising Expense	Total Expenses
EXPENSES				
Payroll expenses	$ 194,395	$ 51,984	$ 12,815	$ 259,194
Annual conference and programs	76,354	-	-	76,354
Contract services	923	19,591	-	20,514
Facilities & equipment	17,532	369	554	18,455
Meetings & travel	7,119	-	-	7,119
Insurance	5,050	106	159	5,315
Bad debt	3,375	-	-	3,375
Operations	3,633	2,972	-	6,605
Total expenses	$ 308,381	$ 75,022	$ 13,528	$ 396,931

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PHILANTHROPY WEST VIRGINIA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (68,670)	$ (135,732)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in assets:		
Accounts receivable	(705)	3,400
Prepaid expenses	(748)	3,696
Increase (decrease) in liabilities:		
Accounts payable	320	2,662
Accrued expenses	(6,372)	800
Deferred revenue	12,400	(8,322)
Cash Used In Operating Activities	(63,775)	(133,496)
Decrease in Cash	(63,775)	(133,496)
Cash at Beginning of Year	472,361	605,857
Cash at End of Year	$ 408,586	$ 472,361

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Note 1 – Nature of Operations

Philanthropy West Virginia, Inc. (Organization) is a nonprofit organization under Internal Revenue Code Section 501(c)(3) and was originally known as West Virginia Grantmakers' Association, Inc. The purposes of the Organization are the cultural, charitable and educational purposes of promoting and disseminating research into and study of the problems of charitable organizations, foundations and charitable trusts; of promoting the growth and effective operation of charitable organizations, foundations and charitable trusts; of stimulating planning for efficient operation, financial management and grantmaking by private foundations, other charities, and other charitable grantmaking organizations; and of providing for the dissemination of knowledge and exchange of information, ideas and procedures among charitable organizations, foundations, charitable trusts and charitable grantmaking organizations, all to the end of benefiting and promoting charity.

Note 2 – Significant Accounting Policies

Basis of accounting: These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America, whereby revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Management's estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Cash, certificates of deposit and deposit risk: In the normal course of business, the Organization may have deposits with local financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Organization has not experienced any losses in such accounts.

Accounts receivable: Accounts receivable represent amounts owed to the Organization for membership dues. Accounts receivable are reported at estimated net realizable value taking into account implicit and explicit price concessions. The estimated implicit price concessions are based upon management's judgmental assessment of historical and expected net collections considering business and general economic conditions in its service area.

Annual membership dues and deferred revenue: The Organization records membership dues as deferred revenue when billed and recognizes membership dues revenue over time as the member simultaneously receives and consumes the benefits of membership throughout the membership year.

Net assets: Net assets, revenue and support are classified based on the existence or absence of donor-imposed stipulations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.
>
> Net assets with donor restrictions result in contributions, grants or other inflows of assets whose use by the Organization is limited by donor or grantor imposed stipulations. Those restrictions can be removed by the passage of time, by actions of the Organization pursuant to those stipulations, from other asset enhancements and diminishments subject to the same kind of stipulations. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Note 2 – Significant Accounting Policies (continued)

Revenue Recognition: The Organization generates revenue primarily from private foundation grants and special initiative grants to assist other charitable organizations with cultural, charitable and educational purposes.

Revenue from nonexchange contracts with resource providers are accounted for in accordance with the guidance for contributions and promises to give under Accounting Standards Codification (ASC) Topic 958, while revenue from exchange contracts with customers are accounted for in accordance with ASC Topic 606. The determination of whether a contract is exchange or nonexchange requires management to exercise judgment and evaluate subjective criteria about whether there is a reciprocal exchange of commensurate value that flows to the direct benefit of the parties to the contract. Although the accounting guidance differs for exchange and nonexchange contracts, in practice, the timing and amount of revenue recognition for the Organization's contracts generally would not differ significantly under either Topic.

Exchange Contracts Accounted for under Topic 606

Revenue for exchange contracts accounted for under Topic 606 include annual membership dues and are reported at amounts that reflect the consideration to which the Organization expects to be entitled in exchange for providing services to the members. The Organization determines the transaction price based on the stated fixed price of the membership contract. The nature of the Organization's exchange contracts generally do not include variable consideration that require significant judgments to estimate the transaction price or related constraints due to risk of significant reversal.

Performance obligations are determined based on the memberships and generally are recognized over time as the time of membership passes. Revenue for performance obligations satisfied over time are recognized utilizing the practical expedient under Topic 606 when the Organization has an unconditional right to invoice for service performed.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Length of the membership

Contract costs include all direct and indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Nonexchange Contracts Accounted for under Topic 958

A nonexchange transaction is not considered to be a reciprocal exchange of goods and services with a customer, but rather is tantamount to a contribution from a resource provider.

Under Topic 958, nonexchange transactions may be conditional or unconditional. If there is both 1) a barrier and 2) a right of return or release of the resource provider's obligation to transfer assets, then the contribution is conditional. If both criteria are not present, then the contribution is unconditional and is recognized upon satisfaction of any conditions. A contribution also may include a purpose or use restriction on the funding, or may be intended for use in a future year and thus have an explicit or implicit time restriction. Once a contribution becomes unconditional, an entity shall consider whether there is a purpose or time restriction prior to recognizing the funds as unrestricted revenue.

Unconditional contributions, donations, grants, and awards are considered to be available for unrestricted use unless specifically restricted by the resource provider. Amounts received that are designated for future periods or restricted by the benefactor/grantor for specific purposes are reported as net assets with donor restrictions. If a restriction is fulfilled in the same year in which the contribution, grant, or award is received (including a purpose restriction for a conditional contribution that is fulfilled simultaneously with satisfaction of the condition), the Organization reports such support as net assets without donor restrictions.

Note 2 – Significant Accounting Policies (continued)

Economic dependency: Philanthropy West Virginia, Inc. generates a substantial portion of its revenue from private foundations and other granting agencies. Changes in the amount of grant funding could therefore, significantly influence Philanthropy West Virginia's ability to provide services. Without this funding, Philanthropy West Virginia, Inc. could not achieve its objectives.

Functional expense allocation: The program expenses of the Organization and the management and general expenses have been summarized on a functional basis on the statements of functional expenses for the years ended December 31, 2024 and 2023. The statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated between program expenses, management and general expenses and fundraising expenses.

Income taxes: The Organization is a not-for-profit entity that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an entity that is not a private foundation under 509(a)(1). The Organization had no unrelated business income during the years ended December 31, 2024 and 2023. Accordingly, no provision for income taxes has been provided.

Accounting principles generally accepted in the United States of America required the Organization to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Services (IRS). The Organization has concluded that as of December 31, 2024 and 2023, there were no uncertain positions taken or expected to be taken that would require recognition or a liability or asset or disclosure in the financial statements.

Advertising: Advertising costs are expensed as incurred. Advertising expense amounted to $0 and $332 for the years ended December 31, 2024 and 2023, respectively.

Subsequent events: The Organization's management has evaluated events that occurred through September 12, 2025 the date the financial statements were available to be issued, for potential recognition or disclosure.

Recent Accounting Pronouncements

Leases: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) which supersedes FASB ASC Topic 840, *Leases*, and makes other conforming amendments to U.S. GAAP. This ASU requires, among other changes to the lease accounting guidance, lessees to recognize most leases on the statement of financial position via a right-of-use asset and lease liability, and additional qualitative and quantitative disclosures. In addition, the updated guidance requires that lessors separate lease and non-lease components in a contract in accordance with the new revenue guidance in ASU 2014-09. Transition guidance is provided within the ASU and generally requires a retrospective approach. In June 2020, the FASB issued ASU 2020-05, which deferred the adoption date of this ASU for all private entities and public not-for-profit (NFP) entities that have not issued their financial statements reflecting the adoption of this ASU. The Organization elected to adopt the ASU effective January 1, 2022, and utilize all of the available practical expedients. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Note 3 – Risk Management

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies.

Note 4 – Operating Lease

In 2021 the Organization entered into an operating lease for office space for one year which was renewable at the end of 2021 for two one-year terms. The Organization renewed the lease for 2022 and 2023. The Organization negotiated to renew the lease for one additional year for 2024. Per the agreement the monthly rent was $846 in 2023 and was $888 in 2024. The Organization did not renew the lease for 2025.

The following summarizes the line items in the statement of financial position which include amounts for operating leases at December 31:

	2024	2023
Right of use – office lease	$ -	$ 10,506
Current portion of office lease payable	$ -	$ 10,506

The following summarizes the line items in the statement of functional expense which include components of lease expense for the year ended December 31:

	2024	2023
Operating lease expense included in facilities & equipment	$ 10,663	$ 10,156

The following summarizes cash flow information related to leases for the year ended December 31,

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 10,663	$ 10,156
Non-cash right-of-use obtained assets in exchange for lease obligations	$ -	$ 10,506

Note 5 – Net Assets With Donor Restrictions and Net Assets Released From Restrictions

Net assets with donor restrictions consisted of the following at December 31:

	2024	2023
Annual conference	$ 963	$ -

The Organization released $360 and $62,500 of net assets with donor restrictions as of December 31, 2024 and 2023, respectively. The amounts were used for the annual conference and grantmakers programming.

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Note 6 – Liquidity and Availability

As of December 31, 2024, the Organization has working capital of approximately $414,753. Financial assets available for general expenditure within one year of the statement of financial position consist of the following as of December 31, 2024:

Cash	$	408,586
Accounts Receivable		7,130
Donor-imposed restrictions		(963)
	$	414,753

The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $60,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 7 – Commitments and Contingencies

Laws and regulations: The not-for-profit industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government program participation requirements, fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by not-for-profit organizations. Violations of these laws and regulations could result in imposition of significant fines and penalties.

Management believes that the Organization is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.