

Philanthropy West Virginia, Inc.

Financial Report
December 31, 2021

CONTENTS

| | |
|------------------------------|-------|
| Independent Auditor's Report | 1 - 2 |
|------------------------------|-------|

Financial Statements:

| | |
|--|--------|
| Statements of Financial Position | 3 |
| Statement of Activities and Changes in Net Assets - 2020 | 4 |
| Statement of Activities and Changes in Net Assets - 2019 | 5 |
| Statement of Functional Expenses - 2020 | 6 |
| Statement of Functional Expenses - 2019 | 7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9 - 14 |



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Philanthropy West Virginia, Inc.
Morgantown, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Philanthropy West Virginia, Inc., (Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy West Virginia, Inc. as of December 31, 2020 and 2019, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy West Virginia, Inc. as of December 31, 2020 and 2019, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly US, LLP

Bridgeport, West Virginia
November 9, 2021

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

| | 2020 | 2019 |
|---|-------------------------------|-------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 751,179 | \$ 294,459 |
| Certificates of deposit | 50,000 | - |
| Accounts receivable | 8,150 | 27,875 |
| Prepaid expenses | 3,333 | 3,135 |
| | <hr/> | <hr/> |
| Total assets | \$ 812,662 | \$ 325,469 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 1,098 | \$ 12,619 |
| Accrued expenses | 953 | 6,934 |
| Deferred revenue | 88,100 | 13,200 |
| | <hr/> | <hr/> |
| Total current liabilities | 90,151 | 32,753 |
| PAYCHECK PROTECTION PROGRAM LOAN | <hr/> | <hr/> |
| | 47,400 | - |
| Total liabilities | <hr/> 137,551 <hr/> | <hr/> 32,753 <hr/> |
| NET ASSETS | | |
| Without donor restrictions | 649,884 | 267,489 |
| With donor restrictions | 25,227 | 25,227 |
| | <hr/> | <hr/> |
| Total net assets | 675,111 | 292,716 |
| Total liabilities and net assets | <hr/> \$ 812,662 <hr/> | <hr/> \$ 325,469 <hr/> |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|------------------|
| REVENUE AND OTHER SUPPORT | | | |
| Special programs and initiatives | \$ 746,614 | \$ - | \$ 746,614 |
| Private foundation grants | 381,850 | - | 381,850 |
| Annual membership dues | 61,500 | - | 61,500 |
| Workshop sponsors and registration fees | 29,736 | - | 29,736 |
| Consulting revenue | 12,752 | - | 12,752 |
| Interest income | 1,075 | - | 1,075 |
| Total revenue and other support | 1,233,527 | - | 1,233,527 |
| EXPENSES | | | |
| Program expenses | 636,990 | - | 636,990 |
| Management and general | 174,757 | - | 174,757 |
| Fundraising | 39,385 | - | 39,385 |
| Total expenses | 851,132 | - | 851,132 |
| Change in net assets | 382,395 | - | 382,395 |
| Net assets: | | | |
| Beginning | 267,489 | 25,227 | 292,716 |
| Ending | \$ 649,884 | \$ 25,227 | \$ 675,111 |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|-----------------|
| REVENUE AND OTHER SUPPORT | | | |
| Special programs and initiatives | \$ 7,292 | \$ - | \$ 7,292 |
| Private foundation grants | 191,667 | 80,227 | 271,894 |
| Annual membership dues | 56,600 | - | 56,600 |
| Workshop sponsors and registration fees | 70,990 | - | 70,990 |
| WV Nonprofit Association dues and program income | 30,933 | - | 30,933 |
| Interest income | 2,899 | - | 2,899 |
| Net assets released from restrictions | 141,760 | (141,760) | - |
| Total revenue and other support | 502,141 | (61,533) | 440,608 |
| EXPENSES | | | |
| Program expenses | 406,430 | - | 406,430 |
| Management and general | 92,057 | - | 92,057 |
| Fundraising | 17,898 | - | 17,898 |
| Total expenses | 516,385 | - | 516,385 |
| Change in net assets | (14,244) | (61,533) | (75,777) |
| Net assets: | | | |
| Beginning | 281,733 | 86,760 | 368,493 |
| Ending | \$ 267,489 | \$ 25,227 | \$ 292,716 |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

| | Program Expenses | Management and General | Fundraising Expenses | Total Expenses |
|-------------------------------|---------------------|---------------------------|-------------------------|-------------------|
| Contracted services | \$ 581,687 | \$ 155,117 | \$ 38,779 | \$ 775,583 |
| Professional fees | - | 17,311 | - | 17,311 |
| Conferences and meetings | 12,769 | - | - | 12,769 |
| Outreach and marketing | 10,300 | - | - | 10,300 |
| Insurance | 8,719 | 184 | 275 | 9,178 |
| Grantmaker programs | 6,645 | - | - | 6,645 |
| Occupancy | 5,761 | 121 | 182 | 6,064 |
| Telephone | 4,703 | 99 | 149 | 4,951 |
| Memberships and registrations | 3,776 | - | - | 3,776 |
| Information technology | - | 1,453 | - | 1,453 |
| Travel | 1,192 | - | - | 1,192 |
| Office expense | 577 | 472 | - | 1,049 |
| Other | 861 | - | - | 861 |
| Total expenses | \$ 636,990 | \$ 174,757 | \$ 39,385 | \$ 851,132 |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

| | Program Expenses | Management and General | Fundraising Expenses | Total Expenses |
|-------------------------------|---------------------|---------------------------|-------------------------|-------------------|
| Contracted services | \$ 261,520 | \$ 69,739 | \$ 17,435 | \$ 348,694 |
| Professional fees | - | 20,593 | - | 20,593 |
| Conferences and meetings | 31,222 | - | - | 31,222 |
| Outreach and marketing | 15,165 | - | - | 15,165 |
| Insurance | 3,238 | 68 | 102 | 3,408 |
| Grantmaker programs | 69,094 | - | - | 69,094 |
| Occupancy | 6,858 | 144 | 217 | 7,219 |
| Telephone | 4,562 | 96 | 144 | 4,802 |
| Memberships and registrations | 4,203 | - | - | 4,203 |
| Information technology | - | 865 | - | 865 |
| Travel | 8,108 | - | - | 8,108 |
| Office expense | 675 | 552 | - | 1,227 |
| Other | 1,785 | - | - | 1,785 |
| Total expenses | \$ 406,430 | \$ 92,057 | \$ 17,898 | \$ 516,385 |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 382,395 | \$ (75,777) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| (Increase) decrease in assets: | | |
| Accounts receivable | 19,725 | (1,519) |
| Prepaid expenses | (198) | 3,005 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (11,521) | 5,513 |
| Accrued expenses | (5,981) | (3,466) |
| Deferred revenue | 74,900 | 11,700 |
| | 459,320 | (60,544) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Change in certificates of deposit | (50,000) | 60,000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Paycheck Protection Program loan | 47,400 | - |
| | 456,720 | (544) |
| Cash: | | |
| Beginning | 294,459 | 295,003 |
| Ending | \$ 751,179 | \$ 294,459 |

See Notes to Financial Statements

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Organization: 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 Association 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.

A summary of the Organization's significant accounting policies follows:

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.

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

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. As described below, effective January 1, 2020, the Organization adopted new accounting guidance for recognizing revenue found in Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

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

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09 which, along with subsequent clarifying ASUs, replaced most existing revenue recognition guidance found in U.S. generally accepted accounting principles (GAAP). Topic 606 is a principles-based framework that requires an entity to recognize the amount of revenue to which it expects to be entitled in exchange for the transfer of promised goods or services to customers. ASU No. 2014-09 requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as significant judgments made by management in applying the standard.

Topic 606 is effective for annual reporting periods beginning after December 15, 2018, and permits the use of either the retrospective or cumulative effect transition method. The Organization adopted the new standard effective January 1, 2020, using the modified retrospective approach. Implementation of the standard did not result in a cumulative effect adjustment and does not have a significant impact on the timing and amount of revenue recognized in the Organization's financial statements. In adopting Topic 606, the Organization elected to only make the disclosures required by nonpublic entities.

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.

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

Nonexchange Contracts Accounted for under Topic 958

In June 2018, the FASB issued ASU No. 2018-08 which clarifies existing revenue recognition guidance for not-for-profit entities and requires an entity to determine whether a contract with a resource provider represents an exchange or nonexchange transaction in order to determine the appropriate accounting guidance for recognition. Arrangements that are determined to be nonexchange transactions are excluded from the scope of Topic 606 and fall 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. The Organization adopted the new standard effective December 31, 2020, using the modified prospective approach.

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.

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, 2020 and 2019. The statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated between program expenses and management and general 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, 2020 and 2019. 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, 2020 and 2019, 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.

Generally, the tax returns for the years ended December 31, 2017, and thereafter remain subject to examination by the federal and state taxing authorities.

Advertising: Advertising costs are expensed as incurred. Advertising expense amounted to \$10,300 and \$15,165 for the years ended December 31, 2020 and 2019, respectively.

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

Subsequent events: The Organization's management has evaluated events that occurred through November 9, 2021, the date the financial statements were available to be issued, for potential recognition or disclosure.

Recent Accounting Pronouncements

Revenue Recognition: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. This ASU attempts to remove inconsistencies and weaknesses in the current revenue recognition requirements, provides a more robust framework for addressing issues, improves comparability across entities and industries, provides more useful information to the users of the financial statements, and simplifies the preparation of financial statements by consolidating the number of requirements required to be referenced. The guidance permits the use of either a retrospective or modified retrospective (cumulative effect) transition method. The Organization adopted this guidance for the year ended December 31, 2020. The adoption of this guidance did not have a material impact on its financial statements.

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 balance sheet 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 is currently evaluating the impact, if any, that adoption will have on its December 31, 2022 financial statements.

Note 2. 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 3. Operating Lease

The Organization has an operating lease for office space and pays \$606 per month, which is renewable at the end of each year. The Organization incurred \$6,064 and \$7,219 of rent expense for the years ended December 31, 2020 and 2019, respectively.

Note 4. Net assets with Donor Restrictions and Net Assets Released from Restrictions

The Organization had net assets with donor restrictions associated with Grantmakers Programming to be used for education. Net assets with donor restrictions was \$25,227 for each of the years ended December 31, 2020 and 2019.

The Organization released \$0 and \$141,760 of net assets with donor restrictions as of December 31, 2020 and 2019, respectively. Amounts were used for operations.

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 5. Liquidity and Availability

As of December 31, 2020, the Organization has working capital of approximately \$722,500. Financial assets available for general expenditure within one year of the statement of financial position consist of the following as of December 31, 2020:

| | 2020 | 2019 |
|-------------------------|-------------------|-------------------|
| Cash | \$ 751,179 | \$ 294,459 |
| Certificates of deposit | 50,000 | - |
| Accounts receivable | 8,150 | 27,875 |
| | \$ 809,329 | \$ 322,334 |

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 \$140,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 6. 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.

Note 7. Covid-19 Pandemic Funding

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The response to the pandemic has severely impacted the level of economic activity around the world and has had wide ranging effects on the Organization, including changing workforce dynamics, and increased funding sources.

In response to the pandemic, the United States government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. The CARES Act established several programs including the Paycheck Protection Program (PPP) to aid businesses in their response to the economic effects of COVID-19.

The material government funding received by the Organization, and the corresponding accounting for the funding, is outlined below.

Paycheck Protection Program Loan

The Organization obtained a loan under the Paycheck Protection Program (PPP) in the amount of \$47,400 from United Bank pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. The proceeds from the loan were to be spent on qualifying expenses as allowed under the CARES Act and mature two years from the date of the loan.

PHILANTHROPY WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

The allowable costs under the PPP include covered payroll costs, mortgage interest on real or personal property, rental obligations on real or personal property, and covered utility costs. Management believes the Organization has used the loan proceeds in accordance with the requirements of the PPP and received notice of forgiveness on March 29, 2021.

The payments received to date or which the Organization may receive in the future, will be beneficial in addressing the impact of the COVID-19 pandemic on its results of operations and financial position. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's financial markets, employees, and vendors. Given the uncertainty regarding the spread of this coronavirus, the related financial impact on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time and have not been reflected in the financial statements.