

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2008

Astorg & Koreski, PLLC

501 Avery Street, Suite 9001
Parkersburg, West Virginia 26101
304-420-1063

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501 Avery Street, Suite 9001
Parkersburg, West Virginia 26101
304-420-1063

Board of Directors
West Virginia Grantmakers' Association, Inc.
135 East Second Street
Weston, West Virginia 26452

Independent Auditor's Report

We have audited the statement of assets, liabilities, and net assets - cash basis of the West Virginia Grantmakers' Association, Inc. (a nonprofit organization) as of December 31, 2008, and the related statement of support, revenue, and expenses - cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of West Virginia Grantmakers' Association, Inc. as of December 31, 2008, and its support, revenue, and expenses for the year then ended, on the basis of accounting described in Note 1.

Astorg & Koreski PLLC

August 28, 2009

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
December 31, 2008

<u>Assets</u>	
Cash	\$ 203,997
Certificates of Deposit	<u>654,385</u>
Total Assets	<u>\$ 858,382</u>

<u>Liabilities and Net Assets</u>	
Total Liabilities	\$ -
Net Assets - Unrestricted	427,027
Net Assets - Temporarily Restricted	<u>431,355</u>
Total Liabilities and Net Assets	<u>\$ 858,382</u>

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

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - CASH BASIS
For The Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Private Foundation Grants	\$ 185,000	\$ 140,000	\$ 325,000
Class Action Award / Court Settlement		156,355	156,355
State Grant - WV Development Office	10,000		10,000
Workshops / Registration Fees	15,650		15,650
Annual Membership Dues	5,650		5,650
In-Kind Support	2,000		2,000
Interest Income	15,165		15,165
Net Assets Released from Restrictions	<u>320,000</u>	<u>(320,000)</u>	<u>-</u>
Total Support and Revenue	\$ 553,465	\$ (23,645)	\$ 529,820
Expenses			
Pass-Thru Grants	325,555		325,555
Contracted Services	93,380		93,380
Outreach / Marketing	17,164		17,164
Grantmaker Programs	16,385		16,385
Annual Conference	12,335		12,335
Office Expense	5,954		5,954
Travel	5,444		5,444
Information Technology	5,317		5,317
Occupancy (Including In-Kind)	3,917		3,917
Telephone	2,201		2,201
Planning & Development	3,804		3,804
Accounting & Auditing	3,500		3,500
Insurance	<u>1,659</u>		<u>1,659</u>
Total Expenses	496,615	-	496,615
Increase (Decrease) in Net Assets	\$ 56,850	\$ (23,645)	\$ 33,205
Reclassification (See Note 10)	5,000	(5,000)	-
Net Assets, beginning of year	<u>365,177</u>	<u>460,000</u>	<u>825,177</u>
Net Assets, end of year	<u>\$ 427,027</u>	<u>\$ 431,355</u>	<u>\$ 858,382</u>

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

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Virginia Grantmakers' Association, Inc. was incorporated in 1993 as a nonprofit organization under Internal Revenue Code Section 501 (C) (3). The purposes of the Association are the cultural, charitable and educational ones 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 significant accounting policies of the Association is presented below.

(a) Basis of Accounting – Cash Basis

It is the Association's policy to prepare its financial statements on the cash basis of accounting. Revenue is recognized when received rather than when earned. Expenses are recognized when paid rather than when the obligation is incurred.

(b) Tax Status

The Association qualifies as a tax-exempt organization under Section 501 (C) (3) of the Internal Revenue Code and, therefore, is not subject to federal and state income taxes.

(c) Basis of Presentation

Net Assets of the Association and changes therein are classified as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Association and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes.

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 1 --SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 --PRIVATE FOUNDATION GRANTS

On June 13, 2006, the Claude Worthington Benedum Foundation approved a grant to the Association totaling \$300,000, payable over three years. These funds are to be used to (1) launch a membership services program, (2) host a statewide conference, (3) host an annual community foundation workshop, (4) research West Virginia giving and (5) establish a government relations role. During the current year the association received the final \$75,000 from this Foundation's grant.

On September 11, 2007, the Claude Worthington Benedum Foundation approved a grant to the Association totaling \$300,000, payable over two years. The funding is to be used to provide mini-grants to West Virginia community foundations to address local needs related to oral health in children and pregnant women. During the current year the association received the final \$150,000 from this Foundation's grant.

On April 3, 2007, The Ford Foundation approved a grant to the Association totaling \$200,000, payable in two \$100,000 installments. The grant funding was provided for the general support of the Association. During the current year the association received the final \$100,000 from this Foundation's grant.

NOTE 3 -- CASH

The following is a listing of the Association account balances as of December 31, 2008:

United Bank -- Non Profit Checking	\$ 679
United Bank -- Super Money Market	<u>203,318</u>
Total	<u>\$ 203,997</u>

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 4 – CERTIFICATES OF DEPOSIT

The following is a listing of the Association's deposits as of December 31, 2008:

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Deposit Balance</u>	<u>Bank</u>
2.372%	01/08/2009	\$ 300,000	CDARS / United Bank
1.735%	03/05/2009	150,000	CDARS / United Bank
2.762%	04/09/2009	100,000	CDARS / United Bank
1.725%	07/16/2009	<u>104,385</u>	United Bank
		<u>\$ 654,385</u>	

NOTE 5 – GRANTMAKER PROGRAMS

This line item represents the West Virginia Grantmakers' Association's expenditures toward the development of local community foundations and/or local community foundation trusts. Total local community foundation development expenditures for the current year amounted to \$16,385.

NOTE 6 – CLASS ACTION AWARD / COURT SETTLEMENT

On December 23, 2008 the Association received \$156,355 as awarded by the court in association with a class action lawsuit to which they were not a party. The Association was listed in the settlement document along with various other West Virginia charitable and educational organizations as a residue beneficiary. As listed in the court document, the award must be used for family and child-related purposes.

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 7 – IN-KIND SUPPORT AND OCCUPANCY EXPENSE

The Association was given the use of office space located in Weston, West Virginia for the first 8 months of 2008. In addition utilities associated with the office space has also been given to the Association without charge. Management has estimated the value of such office space and provided utilities to be \$2,000 and has included this amount as both support and expense in its financial statements for the year ended December 31, 2008.

NOTE 8 – PASS-THRU GRANTS

During the current year the West Virginia Grantmakers' Association made the following pass-thru grants:

Pass-Thru Grants Paid from Temporarily Restricted Net Assets:	
Eastern WV Community Foundation	\$ 25,000
Parkersburg Area Community Foundation	32,500
Mason County Community Foundation	10,000
Jackson County Community Foundation	10,000
Greater Morgantown Community Trust	50,000
Foundation for the Tri-State Community	50,000
Parkersburg Area Community Foundation	15,000
Doddridge County Community Foundation	8,300
Mason County Community Foundation	15,000
Community Foundation for the Ohio Valley	5,500
Logan County Charitable and Education Foundation	12,000
Hampshire County Community Foundation	10,000
Greater Morgantown Community Trust	15,000
Beckley Area Foundation	15,000
Mingo County Community Foundation	10,200
Foundation for the Tri-State Community	4,000
Eastern WV Community Foundation	15,000
Webster County Community Fund	7,500
Webster County Community Fund	5,000
Little Kanawha Area Community Foundation	<u>5,000</u>
Released from Restrictions	\$320,000
Pass-Thru Grants Paid from Unrestricted Net Assets:	
Hardy County Community Foundation	<u>5,555</u>
Total Pass-Thru Grants Paid	<u>\$325,555</u>

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and certificates of deposit in a local bank. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2008 total cash and deposits held in this bank totaled \$308,382 which exceeds the federal insured (FDIC) limits.

NOTE 10 – RECLASSIFICATION OF NET ASSETS

During the current year management identified an error in the classification of grant funding received in prior years. Management previously reported the entire \$300,000 receipt from the March 13, 2007 grant awarded from the Claude Worthington Benedum Foundation as temporarily restricted for regranting. It was later determined that \$5,000 of this funding was unrestricted for the general and administrative use of the association.

WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 11 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Management's functional classification of expenses has been allocated between program services, management and general, and fundraising as follows:

	Program Services	Management & General	Fundraising	Total
Pass-Thru Grants	\$ 325,555	\$ -	\$ -	\$ 325,555
Contracted Services	79,373	9,338	4,669	93,380
Outreach / Marketing	17,164	-	-	17,164
Grantmaker Programs	16,385	-	-	16,385
Annual Conference	12,335	-	-	12,335
Office Expense	3,572	2,382	-	5,954
Travel	4,900	544	-	5,444
Information Technology	4,519	532	266	5,317
Occupancy	1,629	192	96	1,917
Telephone	1,871	220	110	2,201
Planning & Development	3,423	381	-	3,804
Accounting & Auditing	-	3,500	-	3,500
Insurance	-	1,659	-	1,659
Functional Classification	\$ 470,726	\$ 18,748	\$ 5,141	\$ 494,615
Occupancy (In-Kind)				2,000
Total Expenses				\$ 496,615

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WEST VIRGINIA GRANTMAKERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 12 - RECONCILIATION OF TEMPORARILY RESTRICTED NET ASSETS

- A** Grant awarded from the Claude Worthington Benedum Foundation dated March 13, 2007 and in the amount of \$300,000. Of the funds received \$295,000 is restricted for the use of making competitive grants in amounts ranging from \$5,000 to \$50,000 to be used by community foundations in West Virginia for the purpose of community grants, or to otherwise increase organizational capacity to procure major and planned gifts.
- B** Grant awarded from the Claude Worthington Benedum Foundation dated September 11, 2007 and in the amount of \$300,000. Of the funds received \$290,000 is restricted for the use of helping local community foundations in the area of oral health, to include education, public awareness, treatment, prevention and to increase funding for local oral health efforts.
- C** Grant awarded from Mary Reynolds Babcock Foundation dated June 23, 2004 and in the amount of \$75,000, of which only \$40,000 was restricted for regranting to local community foundations. Local community foundations had to show broad based accountable leadership, goals and objectives, and a plan for ongoing leadership development before receiving the pass-thru grant funding.
- D** On December 23, 2008 the Association received \$156,355 as awarded by the court in association with a class action lawsuit to which they were not a party. The Association was listed in the settlement document along with various other West Virginia charitable and educational organization as a residue beneficiary. As listed in the court document, the funding must be used for family and child-related purposes.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>Total</u>
Beginning - December 31, 2007	\$ 300,000	\$ 150,000	\$ 10,000	\$ -	\$ 460,000
Additional funding received in 2008		140,000		156,355	296,355
Reclassify to Unrestricted (See Note 10)	(5,000)				(5,000)
Pass-Thru Grants made in current year:					
Eastern WV Community Foundation	(25,000)				(25,000)
Parkersburg Area Community Foundation	(32,500)				(32,500)
Mason County Community Foundation	(10,000)				(10,000)
Jackson County Community Foundation	(10,000)				(10,000)
Greater Morgantown Community Foundation	(50,000)				(50,000)
Foundation for the Tri-State Community	(50,000)				(50,000)
Parkersburg Area Community Foundation		(15,000)			(15,000)
Doddridge County Community Foundation		(8,300)			(8,300)
Mason County Community Foundation		(15,000)			(15,000)
Community Foundation for the Ohio Valley		(5,500)			(5,500)
Logan County Charitable and Education Foundation		(12,000)			(12,000)
Hampshire County Community Foundation		(10,000)			(10,000)
Greater Morgantown Community Foundation		(15,000)			(15,000)
Beckley Area Foundation		(15,000)			(15,000)
Mingo County Community Foundation		(10,200)			(10,200)
Foundation for the Tri-State Community		(4,000)			(4,000)
Eastern WV Community Foundation		(15,000)			(15,000)
Webster County Community Fund	(7,500)				(7,500)
Webster County Community Fund			(5,000)		(5,000)
Little Kanawha Area Community Foundation			(5,000)		(5,000)
Ending - December 31, 2008	<u>\$ 110,000</u>	<u>\$ 165,000</u>	<u>\$ -</u>	<u>\$ 156,355</u>	<u>\$ 431,355</u>