

The Children's Home Society of West Virginia, Inc.

**Financial Statements
and
Supplementary Information**

For the Years Ended June 30, 2025 and 2024

The Children's Home Society of West Virginia, Inc.

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Independent Auditor's Report

To the Board of Directors
The Children's Home Society of West Virginia, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Children's Home Society of West Virginia, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Children's Home Society of West Virginia, Inc. as of June 30, 2025 and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Children's Home Society of West Virginia, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Children's Home Society of West Virginia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Bureau for Family Assistance (BFA) Funding Status, Bureau for Public Health (BPH) Funding Status, and Division of Administrative Services Justice and Community Services are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedules of Bureau for Family Assistance (BFA) Funding Status, Bureau for Public Health (BPH) Funding Status, Division of Administrative Services Justice and Community Services, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026 on our consideration of The Children's Home Society of West Virginia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Children's Home Society of West Virginia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Children's Home Society of West Virginia, Inc.'s internal control over financial reporting and compliance.



Charleston, West Virginia
January 29, 2026

The Children's Home Society of West Virginia, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Cash	\$ 4,518,573	\$ 7,674,896
Receivables:		
Grant and Contracts Receivable	1,640,262	2,231,763
Program Fees Receivable	10,000	28,000
Contract Revenue Receivable-Medicaid	483,671	706,551
Pledges Receivable	-0-	150,000
Other	11,388	25,825
	<u>2,145,321</u>	<u>3,142,139</u>
Prepaid expenses	352,923	274,444
Investments at Fair Value	7,008,754	6,521,008
Property and Equipment, net	11,960,595	8,932,640
Beneficial Interest in Perpetual Trusts	<u>269,141</u>	<u>274,191</u>
Total Assets	<u><u>\$ 26,255,307</u></u>	<u><u>\$ 26,819,318</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,042,582	\$ 2,079,806
Deferred revenue	<u>505,415</u>	<u>529,555</u>
Total Liabilities	<u><u>2,547,997</u></u>	<u><u>2,609,361</u></u>
Net Assets		
Without donor restrictions:		
Undesignated	20,977,649	19,807,542
Board Designated Endowment	<u>2,105,862</u>	<u>1,890,346</u>
Total Net Assets Without Donor Restrictions	23,083,511	21,697,888
With Donor Restrictions	<u>623,799</u>	<u>2,512,069</u>
Total Net Assets	<u><u>23,707,310</u></u>	<u><u>24,209,957</u></u>
Total Liabilities and Net Assets	<u><u>\$ 26,255,307</u></u>	<u><u>\$ 26,819,318</u></u>

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Public Support			
Contributions	\$ 2,398,296	\$ 74,465	\$ 2,472,761
In-Kind Contributions	945,056	-0-	945,056
Government Support	16,231,358	-0-	16,231,358
Other private grants	491,495	-0-	491,495
Net assets released from restrictions	1,983,613	(1,983,613)	-0-
Total Public Support	<u>22,049,818</u>	<u>(1,909,148)</u>	<u>20,140,670</u>
Revenues and Gains			
Contract Revenues	6,436,933	-0-	6,436,933
Program Service Fees	68,000	-0-	68,000
Rental and Royalty Income	1,000	-0-	1,000
Investment Income (Loss)	497,356	(294)	497,062
Miscellaneous Revenue	85,392	-0-	85,392
Investment Income from Beneficial Interest in Perpetual Trusts	-0-	21,172	21,172
Total Revenues and Gains	<u>7,088,681</u>	<u>20,878</u>	<u>7,109,559</u>
Total Revenues, Gains, and Other Support	<u>29,138,499</u>	<u>(1,888,270)</u>	<u>27,250,229</u>
Expenses			
Program Services			
Shelter Services	12,471,475	-0-	12,471,475
Permanency	6,739,447	-0-	6,739,447
Safe at Home	970,441	-0-	970,441
WE CAN/Mentoring Services	260,709	-0-	260,709
Right from the Start Services	221,528	-0-	221,528
In Home Family Education	200,815	-0-	200,815
Family Support Centers	1,507,601	-0-	1,507,601
Child Advocacy Center	390,698	-0-	390,698
Birth to Three	15,845	-0-	15,845
Transitional Living	1,471,799	-0-	1,471,799
Child/Family Services	250,168	-0-	250,168
Other	12,875	-0-	12,875
Total Program Services	<u>24,513,401</u>	<u>-0-</u>	<u>24,513,401</u>
Supporting Services			
Management and General	3,013,662	-0-	3,013,662
Fundraising	224,540	-0-	224,540
Total Supporting Services	<u>3,238,202</u>	<u>-0-</u>	<u>3,238,202</u>
Total Expenses	<u>27,751,603</u>	<u>-0-</u>	<u>27,751,603</u>

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Activities (Continued)
For the Year Ended June 30, 2025

	Donor Restrictions	Donor Restrictions	Total
Gain (Loss) on the Sale/Abandonment of Property	<u>(1,273)</u>	-0-	<u>(1,273)</u>
Total Expenses and Gains (Losses)	<u>27,752,876</u>	-0-	<u>27,752,876</u>
Changes in Net Assets	1,385,623	(1,888,270)	(502,647)
Net Assets, Beginning of Year	<u>21,697,888</u>	<u>2,512,069</u>	<u>24,209,957</u>
Net Assets, End of Year	<u><u>\$ 23,083,511</u></u>	<u><u>\$ 623,799</u></u>	<u><u>\$ 23,707,310</u></u>

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support			
Public Support			
Contributions	\$ 2,082,081	\$ 1,957,391	\$ 4,039,472
In-Kind Contributions	1,566,107	-0-	1,566,107
Government Support	17,961,690	-0-	17,961,690
Other private grants	354,853	-0-	354,853
Net assets released from restrictions	749,041	(749,041)	-0-
Total Public Support	<u>22,713,772</u>	<u>1,208,350</u>	<u>23,922,122</u>
Revenues and Gains			
Contract Revenues	7,243,478	-0-	7,243,478
Program Service Fees	85,000	-0-	85,000
Rental and Royalty Income	1,000	-0-	1,000
Investment Income (Loss)	531,064	5,735	536,799
Miscellaneous Revenue	39,606	-0-	39,606
Investment Income from Beneficial Interest in Perpetual Trusts	-0-	16,987	16,987
Total Revenues and Gains	<u>7,900,148</u>	<u>22,722</u>	<u>7,922,870</u>
Total Revenues, Gains, and Other Support	<u>30,613,920</u>	<u>1,231,072</u>	<u>31,844,992</u>
Expenses			
Program Services			
Shelter Services	13,007,928	-0-	13,007,928
Permanency	7,626,742	-0-	7,626,742
Safe at Home	1,107,570	-0-	1,107,570
WE CAN/Mentoring Services	363,797	-0-	363,797
Right from the Start Services	191,754	-0-	191,754
In Home Family Education	240,355	-0-	240,355
Family Support Centers	1,441,815	-0-	1,441,815
Child Advocacy Center	390,590	-0-	390,590
Birth to Three	16,159	-0-	16,159
Transitional Living	1,463,958	-0-	1,463,958
Child/Family Services	274,110	-0-	274,110
Other	15,465	-0-	15,465
Total Program Services	<u>26,140,243</u>	<u>-0-</u>	<u>26,140,243</u>
Supporting Services			
Management and General	2,879,776	-0-	2,879,776
Fundraising	124,776	-0-	124,776
Total Supporting Services	<u>3,004,552</u>	<u>-0-</u>	<u>3,004,552</u>
Total Expenses	<u>29,144,795</u>	<u>-0-</u>	<u>29,144,795</u>

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Activities (Continued)
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Gain (Loss) on the Sale/Abandonment of Property	-0-	-0-	-0-
Total Expenses and Gains (Losses)	29,144,795	-0-	29,144,795
Changes in Net Assets	1,469,125	1,231,072	2,700,197
Net Assets, Beginning of Year	20,228,763	1,280,997	21,509,760
Net Assets, End of Year	<u>\$ 21,697,888</u>	<u>\$ 2,512,069</u>	<u>\$ 24,209,957</u>

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services									
	Shelter Services	Permanency	Safe At Home	WE CAN/Mentoring Services	Right From The Start Services	In Home Family Education	Family Support Center	Child Advocacy Center	Birth To Three	
Salaries	\$ 5,027,463	\$ 2,037,359	\$ 476,747	\$ 84,020	\$ 140,822	\$ 106,742	\$ 473,880	\$ 173,411	\$ -0-	
Relief salaries	2,341,374	35,637	-0-	-0-	-0-	-0-	51,818	20,965	-0-	
Benefits	1,359,475	550,894	149,289	10,791	5,774	22,995	172,466	55,634	-0-	
Taxes	623,238	162,678	37,997	7,288	11,383	8,624	40,106	15,871	-0-	
Professional fees	178,649	8,962	2,685	-0-	2,469	-0-	-0-	2,591	14,125	
Supplies	328,953	141,904	7,912	6,998	11,625	9,762	148,244	3,509	1,543	
Food	404,432	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Telephone	99,042	97,899	31,202	488	4,967	6,951	14,444	12,787	-0-	
Postage/shipping	6,212	9,012	243	485	538	400	429	1,059	-0-	
Occupancy	667,873	383,067	72,592	3,715	11,564	11,969	70,941	36,801	-0-	
Lease/Maintenance-Equipment	97,857	37,319	5,056	616	1,151	742	3,999	5,514	-0-	
Printing/publishing	42,528	31,483	459	67	334	1,339	4,357	1,610	-0-	
Travel	168,968	199,422	52,493	5,905	10,932	3,511	16,784	3,601	-0-	
Conferences/meetings	55,939	24,655	1,009	975	5,289	9,966	4,310	5,947	-0-	
Tuition assistance	145,705	105,139	64,344	4,667	-0-	-0-	45,393	8,317	-0-	
Special assistance	278,280	150,981	21,997	46,992	750	129	96,758	488	-0-	
Membership dues	2,480	3,240	-0-	160	-0-	2,420	1,489	500	-0-	
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Miscellaneous	89,539	100,617	6,314	12,376	372	638	4,428	7,665	-0-	
Professional liability insurance	208,243	86,161	18,304	4,107	4,141	4,422	18,619	7,002	-0-	
Foster care payments	-0-	2,063,371	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Credit Losses	1,247	4,406	-0-	-0-	-0-	-0-	-0-	-0-	177	
In kind donation expense	124,387	360,352	8,019	71,059	175	963	318,918	20,668	-0-	
Total expenses before depreciation and amortization	12,251,884	6,594,558	956,662	260,709	212,286	191,573	1,487,383	383,940	15,845	
Depreciation and amortization	219,591	144,889	13,779	-0-	9,242	9,242	20,218	6,758	-0-	
Total Expenses	\$ 12,471,475	\$ 6,739,447	\$ 970,441	\$ 260,709	\$ 221,528	\$ 200,815	\$ 1,507,601	\$ 390,698	\$ 15,845	

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2025

	Program Services				Supporting Services				Total Expenses
	Transitional		Child/ Family Services	Total Program Services	Management and General		Fund Raising	Total Supporting Services	
	Living	Family Services	Other	Program Services	Management and General	Fund Raising	Supporting Services	Total Supporting Services	
Salaries	\$ 330,507	\$ 123,913	\$ -0-	\$ 8,974,864	\$ 1,598,701	\$ 159,110	\$ 1,757,811	\$ 10,732,675	
Relief salaries	1,337	1,032	-0-	2,452,163	48,145	-0-	48,145		2,500,308
Benefits	139,189	53,635	-0-	2,520,142	425,167	24,877	450,044		2,970,186
Taxes	24,922	9,490	-0-	941,597	119,511	11,202	130,713		1,072,310
Professional fees	-0-	46,242	-0-	255,723	262,468	-0-	262,468		518,191
Supplies	7,542	359	9,554	677,905	50,190	27	50,217		728,122
Food	-0-	-0-	-0-	404,432	-0-	-0-	-0-		404,432
Telephone	19,787	1,281	-0-	288,848	37,956	-0-	37,956		326,804
Postage/shipping	35	-0-	-0-	18,413	20,464	180	20,644		39,057
Occupancy	66,667	5,579	-0-	1,330,768	69,637	-0-	69,637		1,400,405
Lease/Maintenance-Equipment	4,113	1,911	-0-	158,278	75,871	2,924	78,795		237,073
Printing/publishing	2,197	-0-	1,084	85,458	27,229	19,320	46,549		132,007
Travel	22,706	509	-0-	484,831	53,407	3,846	57,253		542,084
Conferences/meetings	3,435	1,529	371	113,425	26,056	-0-	26,056		139,481
Tuition assistance	6,989	-0-	-0-	380,554	-0-	-0-	-0-		380,554
Special assistance	774,896	500	-0-	1,371,771	-0-	-0-	-0-		1,371,771
Membership dues	300	-0-	-0-	10,589	18,635	-0-	18,635		29,224
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-
Miscellaneous	1,518	402	1,866	225,735	75,971	668	76,639		302,374
Professional liability insurance	16,002	3,686	-0-	370,687	71,039	2,386	73,425		444,112
Foster care payments	-0-	-0-	-0-	2,063,371	-0-	-0-	-0-		2,063,371
Credit Losses	-0-	-0-	-0-	5,830	-0-	-0-	-0-		5,830
In kind donation expense	40,415	100	-0-	945,056	-0-	-0-	-0-		945,056
 Total expenses before depreciation and amortization	 1,462,557	 250,168	 12,875	 24,080,440	 2,980,447	 224,540	 3,204,987	 27,285,427	
Depreciation and amortization	9,242	-0-	-0-	432,961	33,215	-0-	33,215		466,176
 Total Expenses	 \$ 1,471,799	 \$ 250,168	 \$ 12,875	 \$ 24,513,401	 \$ 3,013,662	 \$ 224,540	 \$ 3,238,202	 \$ 27,751,603	

The Children's Home Society of West Virginia, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services								
	Shelter Services	Permanency	Safe At Home	WE CAN/Mentoring Services	Right From The Start Services	In Home Family Education	Family Support Center	Child Advocacy Center	Birth To Three
Salaries	\$ 5,378,039	\$ 2,279,860	\$ 560,618	\$ 106,797	\$ 108,967	\$ 119,921	\$ 428,437	\$ 192,529	\$ -0-
Relief salaries	2,430,930	63,143	1,728	-0-	13,466	-0-	76,042	12,421	-0-
Benefits	1,390,863	596,898	162,217	14,788	11,376	32,792	145,406	54,169	-0-
Taxes	670,278	187,292	44,250	8,885	9,691	10,264	39,610	16,580	-0-
Professional fees	162,814	(22,831)	9,359	-0-	1,020	-0-	-0-	798	16,008
Supplies	344,696	186,320	11,298	12,308	3,884	14,933	167,509	11,014	-0-
Food	449,516	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Telephone	95,124	99,589	22,728	-0-	7,112	7,221	12,997	12,237	-0-
Postage/shipping	6,299	9,879	509	957	800	1,229	285	524	-0-
Occupancy	650,001	365,471	91,448	971	17,740	16,432	64,993	25,540	-0-
Lease/Maintenance-Equipment	71,911	55,507	6,314	179	849	1,688	5,710	4,642	-0-
Printing/publishing	8,946	50,072	454	440	1,012	-0-	3,866	589	-0-
Travel	193,145	245,757	68,653	4,913	7,617	5,057	21,614	2,638	-0-
Conferences/meetings	99,874	34,889	1,321	678	2,229	7,052	10,588	4,676	-0-
Tuition assistance	90,869	113,662	40,001	16,187	-0-	11,759	7,575	28,959	-0-
Special assistance	289,455	190,710	27,275	113,673	555	2,080	53,709	536	-0-
Membership dues	2,157	2,852	120	160	-0-	2,640	800	1,100	-0-
Interest expense	-0-	1,650	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous	57,350	113,676	3,965	16,313	86	566	1,974	4,930	-0-
Professional liability insurance	179,579	80,036	17,075	3,481	2,818	3,777	12,353	5,750	-0-
Foster care payments	-0-	2,278,270	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Credit Losses	57,781	1,215	23,737	-0-	799	-0-	-0-	-0-	151
In kind donation expense	177,664	457,045	5,660	63,067	1,733	2,944	373,136	4,518	-0-
Total expenses before depreciation and amortization	12,807,291	7,390,962	1,098,730	363,797	191,754	240,355	1,426,604	384,150	16,159
Depreciation and amortization	200,637	235,780	8,840	-0-	-0-	-0-	15,211	6,440	-0-
Total Expenses	\$ 13,007,928	\$ 7,626,742	\$ 1,107,570	\$ 363,797	\$ 191,754	\$ 240,355	\$ 1,441,815	\$ 390,590	\$ 16,159

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2024

	Program Services			Supporting Services			Total Expenses	
	Transitional		Total Program Services	Management and General		Fund Raising		
	Living	Child/ Family Services	Other					
Salaries	\$ 373,246	\$ 132,314	\$ -0-	\$ 9,680,728	\$ 1,506,443	\$ 92,262	\$ 11,279,433	
Relief salaries	1,740	3,555	-0-	2,603,025	47,365	-0-	47,365 2,650,390	
Benefits	110,769	53,709	-0-	2,572,987	407,370	19,472	426,842 2,999,829	
Taxes	29,877	10,666	-0-	1,027,393	115,690	6,964	122,654 1,150,047	
Professional fees	-0-	57,252	-0-	224,420	220,079	-0-	220,079 444,499	
Supplies	23,983	473	12,260	788,678	56,595	284	56,879 845,557	
Food	-0-	-0-	-0-	449,516	-0-	-0-	-0- 449,516	
Telephone	19,674	955	-0-	277,637	32,839	-0-	32,839 310,476	
Postage/shipping	114	-0-	-0-	20,596	24,954	211	25,165 45,761	
Occupancy	36,852	2,821	-0-	1,272,269	91,669	-0-	91,669 1,363,938	
Lease/Maintenance-Equipment	2,245	1,100	-0-	150,145	80,630	1,748	82,378 232,523	
Printing/publishing	985	1,345	592	68,301	43,634	337	43,971 112,272	
Travel	35,756	443	538	586,131	43,494	1,836	45,330 631,461	
Conferences/meetings	5,946	316	1,565	169,134	45,198	-0-	45,198 214,332	
Tuition assistance	25,079	952	-0-	335,043	-0-	-0-	-0- 335,043	
Special assistance	746,995	88	360	1,425,436	-0-	-0-	-0- 1,425,436	
Membership dues	105	-0-	-0-	9,934	17,024	-0-	17,024 26,958	
Interest expense	321	-0-	-0-	1,971	-0-	-0-	-0- 1,971	
Miscellaneous	2,279	510	150	201,799	48,096	535	48,631 250,430	
Professional liability insurance	12,003	3,100	-0-	319,972	63,161	1,127	64,288 384,260	
Foster care payments	-0-	-0-	-0-	2,278,270	-0-	-0-	-0- 2,278,270	
Credit Losses	-0-	4,511	-0-	88,194	-0-	-0-	-0- 88,194	
In kind donation expense	18,591	-0-	-0-	1,104,358	-0-	-0-	-0- 1,104,358	
Total expenses before depreciation and amortization	1,446,560	274,110	15,465	25,655,937	2,844,241	124,776	2,969,017 28,624,954	
Depreciation and amortization	17,398	-0-	-0-	484,306	35,535	-0-	35,535 519,841	
Total Expenses	\$ 1,463,958	\$ 274,110	\$ 15,465	\$ 26,140,243	\$ 2,879,776	\$ 124,776	\$ 3,004,552	\$ 29,144,795

The Children's Home Society of West Virginia, Inc.
Statements of Cash Flows
For the Year Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ (502,647)	\$ 2,700,197
Adjustments to Reconcile Change in net assets to net cash provided by (used in) operating activities:		
Depreciation and Amortization	466,176	519,841
(Increase) Decrease in Value of Beneficial Interest in Perpetual Trusts	(21,172)	(16,987)
Net Unrealized/Realized Loss (Gain) on Investments	(292,876)	(328,881)
(Gain) Loss on Sale/Abandonment of Property	1,273	-0-
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in:		
Grant and Contracts Receivable	591,501	765,520
Program Fees Receivable	18,000	31,968
Contact Revenue Receivable - Medicaid	222,880	449,863
Pledges Receivable	150,000	(150,000)
Other Receivables	14,437	(15,387)
Prepaid Expenses	(78,478)	7,199
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(37,224)	(104,008)
Deferred Revenue and Grant Funds Received in Advance	(24,141)	(839,710)
Net Cash Provided by Operating Activities	507,729	3,019,615
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(3,495,404)	(2,522,869)
Purchases of Investments	(898,304)	(2,970,086)
Proceeds from Sale of Investments	729,656	2,671,488
Net Cash Used in Investing Activities	(3,664,052)	(2,821,467)
Cash Flows From Financing Activities	-0-	-0-
Net Increase (Decrease) in Cash and Cash Equivalents	(3,156,323)	198,148
Cash and Cash Equivalents, Beginning of Year	7,674,896	7,476,748
Cash and Cash Equivalents, End of Year	\$ 4,518,573	\$ 7,674,896

See notes to financial statements.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note A – Summary of Significant Accounting Policies

Nature of Activities – The Children's Home Society of West Virginia, Inc. (the Society) is a nonprofit corporation organized under the laws of the State of West Virginia and exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Society is classified as other than a private foundation. The primary purpose of the Society is to promote the social, emotional, spiritual, and physical well-being of children and their families throughout the State of West Virginia.

Income Taxes - Management has determined that the Society does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Because tax matters are subject to some degree of uncertainty, there can be no assurance that the Society's tax returns will not be challenged by the taxing authorities and that the Society will not be subject to additional tax, penalties and interest as a result of such challenge.

The Society has exempt organization tax filings open to Internal Revenue Service audit for years ending June 30, 2023, 2024 and 2025.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The Society reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Society, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note A – Summary of Significant Accounting Policies (Continued)

Use of Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents consist principally of demand deposits with high credit quality financial institutions.

For purposes of reporting the statements of cash flows, the Society considers all cash accounts that are not subject to withdrawal restrictions or penalties, and all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment – Expenditures for the acquisition of property and equipment are capitalized at cost. Depreciation is computed by the straight-line method over estimated useful lives of the assets ranging from three to forty years. The Society capitalizes all expenditures in excess of \$10,000 for property and equipment at cost.

Gifts of land, buildings, and equipment are presented as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Accounts Receivable and Allowance for Current Expected Credit Losses (CECL) – Accounts receivable consist of amounts due from programs when revenue has been earned and are recorded at their net realizable value. An allowance for credit losses is based on current expected credit losses (CECL) rather than incurred losses. Estimated credit losses under CECL consider relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectability of financial assets, resulting in recognition of the related asset.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts including subsequent collections. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current receivable-specific risk characteristics as applicable.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. For both its Medicaid and program fee receivables, the Society uses the aging method to determine the allowance for credit losses. The key risk characteristics for Medicaid and program fee receivables are the customer and history of non-payment.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note A – Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Current Expected Credit Losses (CECL) (Continued) – Receivables that do not share risk characteristics are evaluated on an individual basis. Receivables evaluated individually are not included in the collective evaluation. There were no receivables evaluated on an individual basis for the fiscal years presented.

At June 30, 2025 and 2024 the allowance for CECL was \$-0- for all receivables based on Management's analysis and estimates.

Pledges Receivable – Pledges receivable greater than one year are recognized at fair value in the period an unconditional promise is received by the Society, less an allowance for uncollectible promises to give. Those less than a year are recognized at the stated pledge amount. At June 30, 2024, the Society had a pledge from a single donor totaling \$150,000, of which \$100,000 was expected to be collected in less than a year. As of June 30, 2025, all funds have been received.

Contributions Receivable from Perpetual Trusts – As a beneficiary under several donor established perpetual trusts, the Society has an irrevocable right to receive the income earned on trust assets in perpetuity, but never receives the corpus of the trust. Net realized gains and losses in these trusts are reported as support with donor restrictions. The carrying value of these assets is equal to the fair value of the underlying trust assets, which approximates the present value of the future cash flows to be derived from these trust accounts.

Donated Goods and Services – Donated materials, equipment services, and other assets are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of gift.

Revenue Recognition – Grant revenue resulting from exchange transactions is recognized when the related costs are incurred. Deferred revenue consists of grant funds that the Society has received but for which it has not incurred related expenses and/or satisfied the requirements of the grant agreements.

Revenue from contracts with customers – All revenue from contracts is recognized at a point in time when the services are rendered, typically these are generated as a byproduct of other program activities and involve 3rd party reimbursement from Medicaid for medical services rendered. The amounts are based on established rates per unit of service provided, are not typically variable, and their collection within stated terms is generally expected. Contract assets are presented as receivables from grants and contracts as well as from program fees. There were no unsatisfied performance obligations at year-end for either year presented.

Investments – Investments in debt securities and marketable equity securities are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends less investment expenses) is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note A – Summary of Significant Accounting Policies (Continued)

Expense Allocation – Expenses which are not specifically identified with a particular service are allocated to the various program services based upon time devoted by Society staff in performing program functions.

Subsequent Events – The Society has evaluated subsequent events through January 29, 2026, the date on which the financial statements were available to be issued. The Society believes that there have been no significant subsequent events.

Note B – Property and Equipment

Property and equipment consisted of the following at June 30, 2025 and 2024:

	2025	2024
Land	\$ 1,915,545	\$ 1,795,045
Buildings	8,795,838	4,429,182
Furniture and equipment	2,389,392	2,715,346
Leasehold and building improvements	3,859,917	3,859,917
Work in Progress	-0-	1,134,964
	<u>16,960,692</u>	<u>13,934,454</u>
Less accumulated depreciation	<u>5,000,097</u>	<u>5,001,814</u>
	<u><u>\$ 11,960,595</u></u>	<u><u>\$ 8,932,640</u></u>

The Society acquired certain fixed assets with restricted grant funds. Although the grantor agency reserves the right to request the asset be returned to the grantor agency at the end of the grant period, the Society has capitalized the asset since it is probable that it will be allowed to keep the asset at the end of the grant period.

Note C – Investments

Investments consisted of the following at June 30, 2025 and 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Government obligations	\$ 230,862	\$ 204,749	\$ 187,011	\$ 152,344
Cash and cash equivalents	2,980,219	2,981,793	2,863,602	2,864,476
Corporate bonds	-0-	-0-	93,918	94,178
Equities	2,126,925	2,653,154	2,067,470	2,439,762
Mutual funds	<u>977,917</u>	<u>1,169,058</u>	<u>806,289</u>	<u>970,248</u>
	<u><u>\$ 6,315,922</u></u>	<u><u>\$ 7,008,754</u></u>	<u><u>\$ 6,018,290</u></u>	<u><u>\$ 6,521,008</u></u>

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note C – Investments (Continued)

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair values for all investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The Society considers the measurement of its investments to be Level 1 measurement within the fair value measurement hierarchy.

Investment income (loss) for the years ended June 30, 2025 and 2024 excluding the Perpetual Trust was as follows:

	2025	2024
Interest and dividends	\$ 234,682	\$ 236,680
Realized gains	98,845	163,462
Unrealized gains	194,031	165,419
Custodial fees	(30,496)	(28,762)
	<u>\$ 497,062</u>	<u>\$ 536,799</u>

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note D – Fair Value Measurement – Beneficial Interest in Perpetual Trust

Fair values of assets measured on a recurring basis at June 30, 2025 are as follows:

	<u>Fair Value</u>	<u>Quoted Price In Active Market For Identical Assets</u>
Investments in debt and equity securities	<u>\$ 269,141</u>	<u>\$ 269,141</u>
Total assets measured at fair value on a recurring basis	<u>\$ 269,141</u>	<u>\$ 269,141</u>

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	<u>Fair Value</u>	<u>Quoted Price In Active Market For Identical Assets</u>
Investments in debt and equity securities	<u>\$ 274,191</u>	<u>\$ 274,191</u>
Total assets measured at fair value on a recurring basis	<u>\$ 274,191</u>	<u>\$ 274,191</u>

Fair values for investments in debt and equity securities are determined by reference to quoted prices for similar securities. The Society considers the measurement of its beneficial interest in the perpetual trust to be a Level 1 measurement within the fair value measurement hierarchy.

The table below presents information about the changes in the beneficial interest in the perpetual trust, which is measured at fair value on a recurring basis:

Balance July 1, 2023	\$ 257,204
Change in value in beneficial interest	<u>16,987</u>
June 30, 2024	\$ 274,191
Liquidation of trust funds	(26,222)
Change in value of beneficial interest	<u>21,172</u>
June 30, 2025	<u>\$ 269,141</u>

Note E – Retirement Plan

The Society has a noncontributory, defined contribution retirement plan for substantially all full-time employees. The Society contributed on behalf of each eligible employee an amount equal to 8% of the compensation of these employees. Total contributions made to the plan were \$771,924 and \$788,540 for the years ended June 30, 2025 and 2024, respectively.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note F – Health Reimbursement Arrangement

The Society sponsors a health reimbursement arrangement (HRA) fund to assist employees with the cost of health care. The Society contributes \$1,000 per plan year for all employees enrolled in eligible, company-sponsored, single-person health plans and \$2,000 per plan year for all other eligible health plans. Eligibility is determined by The Health Plan, the administrator of the HRA. Plan years run from October to September and unused amounts roll over. The Society records a contingent liability equal to the total funds in the HRA account and the net balance of \$-0- is not presented on the statement of financial position. The liability associated with the HRA as of June 30, 2025 and 2024 was \$639,508 and \$627,533 respectively.

Note G – Support and Revenue from Governmental Units

The Children's Home Society of West Virginia, Inc. has entered into agreements with the West Virginia Department of Human Services to provide emergency shelters for youth in crisis within the state of West Virginia.

The Society receives a substantial amount of its support and revenue from the West Virginia Department of Human Services. The program support from the West Virginia Department of Human Services includes federal financial assistance. A significant reduction in the level of this support, if this were to occur, may have a significant impact on the Society's programs and activities. Support received from this agency was \$16,231,358 and \$17,961,690 during the years ended June 30, 2025 and 2024, respectively. Funding due from this agency for program services was \$1,640,262 and \$2,231,763 as of June 30, 2025 and 2024, respectively. There is no allowance for credit losses recorded as all amounts are considered collectible at June 30, 2025 and 2024, respectively.

In addition, the Society has also entered into an agreement with the West Virginia Department of Human Services to provide medical services to Medicaid eligible clients housed at the Society's shelter. Revenues from these services are provided by the West Virginia Department of Human Services' Medicaid program and recognized as services are rendered. Revenues recognized under this contractual arrangement for the years ended June 30, 2025 and 2024, were \$6,436,933 and \$7,243,478, respectively. Revenues receivable under this contract were \$483,671 and \$706,551, net of allowance for credit losses of \$-0- and \$-0- as of June 30, 2025 and 2024, respectively.

The Society's estimate of allowance for credit losses on all receivables is based on an analysis of account agings and consideration of historical collection patterns combined with current conditions and reasonable supportable forecasts of future losses. Accounts are normally charged off after they become greater than two years old.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note H – Debt

As of June 30, 2025 and 2024, the Society had no borrowings under a \$1,000,000 revolving line of credit. The line of credit, which matures January 2027, is secured by investments of the Society, accrues interest at the prime rate and requires monthly payments of interest. The rate was 7.50% and 8.50% at June 30, 2025 and 2024, respectively.

Interest paid on all borrowings was \$-0- during both years ended June 30, 2025 and 2024.

Note I - Endowment Funds

The Children's Home Society of West Virginia, Inc.'s endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As of June 30, 2025 and 2024, the Board of Directors had designated \$2,105,862 and \$1,890,346, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of the Society. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. As of June 30, 2025 and 2024, there was \$549,334 and \$554,678, respectively, in net assets with donor restrictions as these endowment funds are donor-restricted funds in that they are restricted to investment in perpetuity and only the income generated from the funds are expendable to support the general purposes of the Society.

The management of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Society considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the Society's investment policies.

Investment Return Objectives, Risk Parameters and Strategies - The Society has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets of the long-term. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in obtaining an additional 3% net return relative to the Consumer Price Index with a minimum return of 7% as a

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note I - Endowment Funds (Continued)

secondary objective. It is also expected that over any 3-year period the funds will achieve a net return superior to their appropriate respective benchmark. Equities, including convertible securities, may comprise up to a maximum of 70% of the endowment fund's market value with a minimum of 0%. Fixed Income securities, including preferred stocks, should not exceed a maximum of 70% of the fund's market value and may represent as little as 0%. Cash equivalents may represent a maximum of up to 100% of the fund's value, but should constitute at least 5% at all times.

The Board Designated funds may be invested in equities, fixed income securities and cash equivalents. The Donor-Restricted funds managed by the Society will hold all principal intact and may only be invested in fixed income securities.

Spending Policy - The Society has a policy that the annual spending rate for the Board Designated funds only will be recommended on an annual basis by the Finance Committee and be approved by the Board of Directors. It will be based on a spending policy of up to 4 percent of the trailing 12-quarter average of the ending quarterly market values of the fund. In no case shall it exceed 5% of the trailing 12-quarter average of the ending quarterly market values of the fund. Donor trust amounts as governed by separate agreements may or may not be included in the total overall value of the fund subject to the 5% cap for distributions.

Endowment Net Asset Composition by Type of Fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor restricted endowment funds	\$ -0-	\$ 549,334	\$ 549,334
Board-designated endowment funds	2,105,862	-0-	2,105,862
Total funds	\$ 2,105,862	\$ 549,334	\$2,655,196

Endowment Net Asset Composition by Type of Fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor restricted endowment funds	\$ -0-	\$ 554,678	\$ 554,678
Board-designated endowment funds	1,890,346	-0-	1,890,346
Total funds	\$ 1,890,346	\$ 554,678	\$2,445,024

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note I - Endowment Funds (Continued)

Changes in the endowment net assets as of June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$1,890,346	\$ 554,678	2,445,024
Contributions	12,578	-0-	12,578
Disbursements	-0-	(38,800)	(38,800)
Interest	47,596	11,175	58,771
Realized gain (loss)	11,414	241	11,655
Net appreciation (depreciation)	156,902	2,579	159,481
Net gain (loss) on perpetual trust	-0-	21,172	21,172
Amounts appropriated as expenditure	<u>(12,974)</u>	<u>(1,711)</u>	<u>(14,685)</u>
Endowment net assets, end of year	<u><u>\$2,105,862</u></u>	<u><u>\$ 549,334</u></u>	<u><u>\$2,655,196</u></u>

Changes in the endowment net assets as of June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$1,672,976	\$ 531,956	\$2,204,932
Contributions	-0-	-0-	-0-
Disbursements	-0-	-0-	-0-
Interest	39,751	9,793	49,544
Realized gain (loss)	149,297	(297)	149,000
Net appreciation (depreciation)	42,237	(2,937)	39,300
Net gain (loss) on perpetual trust	-0-	16,987	16,987
Amounts appropriated as expenditure	<u>(13,915)</u>	<u>(824)</u>	<u>(14,739)</u>
Endowment net assets, end of year	<u><u>\$1,890,346</u></u>	<u><u>\$ 554,678</u></u>	<u><u>\$2,445,024</u></u>

Note J – Net Assets with Restrictions

One campaign is to assist with purchasing a new office building for the Society's community-based programs located in Parkersburg, WV. This campaign began in December 2020 and ended in February 2025. The Society previously rented space for these programs where the need for additional space could not be provided by the current landlord. There were no restricted contributions received for the years ended June 30, 2025 and 2024 related to this campaign as construction had begun and was completed during those years.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note J – Net Assets with Restrictions (Continued)

The second campaign is to assist with purchasing land and constructing a new building to replace the 5-bed Exceptional Youth Emergency Shelter that is located in Daniels, WV, and expanding that facility with an additional 7 beds. The Society currently owns the existing facility that was formerly a residential home and space is limited there with no room for expansion. This campaign began in February 2023 and ended in June 2025. Land was purchased in April 2023, construction of the building began in March of 2024 and the building was completed at the end of June 2025. There was a \$200,000 pledge made during the year ended June 30, 2024 towards the capital campaign, with an initial payment of \$50,000 paid through June 30, 2024 and \$150,000 through June 30, 2025. Pledges receivable totaled \$0 at June 30, 2025 and \$150,000 as of June 30, 2024. Restricted campaign contributions for this campaign totaled \$0 as of June 30, 2025 and \$1,916,344 as of June 30, 2024.

The third campaign is to assist with purchasing a new office building for the Society's community-based programs located in Morgantown, WV. This campaign began in September 2023. The Society currently rents space for these programs and needs additional space that cannot be provided by the current landlord. Restricted campaign contributions for this campaign totaled \$74,465 as of June 30, 2025 and \$41,047 as of June 30, 2024.

The following schedule summarizes Net assets with donor restrictions:

	<u>2025</u>	<u>2024</u>
Perpetual Restriction		
Investment (Note I)	\$ 549,334	\$ 554,678
Use Restriction		
Capital Campaign	<u>74,465</u>	<u>1,957,391</u>
Total Net assets with donor restrictions	<u>\$ 623,799</u>	<u>\$2,512,069</u>

Note K – Concentration of Credit Risk

Financial instruments which potentially subject the Society to concentrations of credit risk consist of cash and cash equivalents. Cash is deposited with a high credit quality financial institution and exceeds the Federal Depository Insurance Corp. (FDIC) limit of \$250,000. The amount of funds that exceed the FDIC limit at June 30, 2025 and 2024 was \$4,004,223 and \$7,160,596, respectively.

Note L – Liquidity and Availability of Financial Assets

As part of the Society's liquidity management plan, cash in excess of daily requirements are maintained in cash reserves. The Board of Directors directs all bequests to an operating reserve if they are not restricted by the donors' instructions. As of June 30, 2025 and 2024 the operating reserve was \$4,518,573 and \$7,674,896. This reserve, established by the Board of Directors, may be drawn upon if needed to meet unexpected liquidity needs or in the event of financial distress. Additionally, as discussed in more detail in Note H, the Society maintains a \$1,000,000 revolving line of credit which was entirely available at June 30, 2025.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note L – Liquidity and Availability of Financial Assets (Continued)

The following table reflects the Society's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year or because they have been set aside for a specific program.

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 4,518,573	\$ 7,674,896
Grant and contract receivable	1,640,262	2,231,763
Program fees receivable	10,000	28,000
Contract revenue receivable	483,671	706,551
Investments at fair value	<u>7,008,754</u>	<u>6,521,008</u>
Financial assets, at year-end	<u>\$ 13,661,260</u>	<u>\$ 17,162,218</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		
Restricted by donor	\$ 334,158	\$ 2,217,378
Board designations		
Primarily for long-term investing	<u>2,105,862</u>	<u>1,890,346</u>
	<u>2,440,020</u>	<u>4,107,724</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,221,240</u>	<u>\$ 13,054,494</u>

Note M – In-Kind Contributions

The Society received gifts-in-kind for the years ended June 30, 2025 and 2024, as follows:

	2025	2024
Program Support	\$ 890,918	\$ 829,047
Emergency Shelter Property	-0-	450,000
Community Based Office Property	-0-	130,000
2020 Dodge Journey Minivan	-0-	11,749
Bombas Socks	-0-	100,000
Radio Air	41,058	30,793
Advertising	10,000	10,000
Space	3,080	4,518
Total	<u>\$ 945,056</u>	<u>\$ 1,566,107</u>

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note M – In-Kind Contributions (Continued)

The Children's Home Society of West Virginia's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Society. These gifts-in-kind are utilized in the same year as received and are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Gifts-in-kind will not be accepted that cannot be utilized in the Society's normal course of business which includes distribution to needy families in the community. The Society has 8 emergency shelters and 14 offices throughout the State of West Virginia that can accept gifts-in-kind. All gifts-in-kind accepted at local offices or emergency shelters will be used for the program(s) at that location and may possibly be sent to other locations if needed there.

Program support items include, but are not limited to, food, clothing, toys, books, hygiene products, school supplies and household items. In-kind donations for fiscal year ended June 30, 2025, other than program support items, included donated radio air time by a local radio station for the Permanency program at the Princeton, WV, office to run advertising for foster parent recruitment. The value is determined by the radio station using billing estimates in like circumstances. There was also donated television advertising from Shentel to advertise the Society's annual Hope, Line & Sinker fishing tournament fundraiser for the foster care program in Summersville, WV. The value is determined by the television provider using billing estimates in like circumstances. Donated space is provided by the Morgan County Commission for office space in the Morgan County Courthouse that is utilized as a Child Advocacy Center by the Agency. The value is determined by the donor on an annual basis to be \$10 per square foot for space measuring 14' X 15'10" and 8' X 11".

Notable in-kind donations for fiscal year ended June 30, 2024, include the donation of a former elementary school property that had been leased from the Nicholas County Board of Education for over 20 years to house an emergency child shelter located at 477 Scenic Highway, Summersville, WV. This property was donated to the Society through the Nicholas County Building Commission. The property was appraised prior to the donation and the donation was valued at the appraised value of \$450,000. The Society also purchased a former elementary school property located at 2500 36th Street, Parkersburg, WV, to be used for a community-based services office. The property was appraised at \$555,000 and the purchase price was \$425,000 which resulted in an in-kind donation of the difference of \$130,000. A 2020 Dodge Journey mini-van was donated to the Society to be used by the Davis Child Shelter to transport shelter residents to medical appointments and on outings. The donation amount was based upon the Kelly Blue Book trade-in value for a used min-van with the associated features and mileage. Bombas Giving Partners Program donated 10,000 pairs of socks to the Society for use in all programs. They were valued at \$10/pair as new socks on the Bombas website run from \$13.00/pair to \$40.00/pair.

The Children's Home Society of West Virginia, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025 and 2024

Note N – Leasing Activities

The Society recognizes leases according to ASU No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Society had two operating leases of buildings for corporate offices that were considered long-term leases that resulted in right-of-use (ROU) assets and lease liabilities, both of which concluded during the year ended June 30, 2024. A discount rate of 4.5% was used to discount lease payments based on estimated borrowing rates at lease inception. The Society recognized ROU assets of \$-0- and lease liabilities totaling \$-0- on its statements of financial position as of June 30, 2025 and 2024, respectively. Amortization of the ROU asset totaled \$-0- and \$102,282 on its statements of activities as of June 30, 2025 and 2024, respectively. Interest expense recognized in connection with these leases was \$-0- and \$1,971 for the years ended June 30, 2025 and 2024, respectively.

The Society does not report ROU assets and lease liabilities for its short-term leases (with a term of 12 months or less). Instead, the lease payments of those leases are reported as occupancy expense on a straight-line basis over the term of the lease. The Society had multiple leases for office space and equipment that were considered short-term. Total short-term lease expense for the years ended June 30, 2025 and 2024, were \$267,682 and \$199,411, respectively.

Supplementary Information

The Children's Home Society of West Virginia, Inc.
Schedule of Bureau for Family Assistance (BFA) Funding Status
For the Year Ended June 30, 2025

Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Received	Total Current Year Expenditures	Under (Over) Expended End of Year
G250455	\$ 14,968	\$ -0-	\$ 14,968	\$ 14,968	\$ -0-
	<u>14,968</u>	<u>-0-</u>	<u>14,968</u>	<u>14,968</u>	<u>-0-</u>
G250456	14,968	-0-	14,968	14,968	-0-
	<u>14,968</u>	<u>-0-</u>	<u>14,968</u>	<u>14,968</u>	<u>-0-</u>
G250457	14,968	-0-	14,968	1,208	13,760
	<u>14,968</u>	<u>-0-</u>	<u>14,968</u>	<u>1,208</u>	<u>13,760</u>
G250458	14,968	-0-	14,968	-0-	14,968
	<u>14,968</u>	<u>-0-</u>	<u>14,968</u>	<u>-0-</u>	<u>14,968</u>
G240357	-0-	5,619	-0-	(5,619)	*
	<u>-0-</u>	<u>5,619</u>	<u>-0-</u>	<u>(5,619)</u>	<u>-0-</u>
G240360	-0-	23,033	-0-	(23,033)	*
	<u>-0-</u>	<u>23,033</u>	<u>-0-</u>	<u>(23,033)</u>	<u>-0-</u>
Total	\$ 59,872	\$ 28,652	\$ 59,872	\$ 2,492	\$ 28,728

* Repaid during year ended June 30, 2025

The Children's Home Society of West Virginia, Inc.
Schedule of Bureau for Public Health (BPH) Funding Status
For the Year Ended June 30, 2025

Grant Number	Award Amount	Under (Over)	Total	Total	Under (Over)
		Expended Beginning of Year	Current Year Received	Current Year Expenditures	Expended End of Year
G250140	\$ 126,380	\$ -0-	\$ -0-	\$ 99,348	\$ 27,032
	<u>126,380</u>	<u>-0-</u>	<u>-0-</u>	<u>99,348</u>	<u>27,032</u>
G240245	-0-	24,064		(24,064) *	-0-
	<u>-0-</u>	<u>24,064</u>	<u>-0-</u>	<u>(24,064)</u>	<u>-0-</u>
G240981	-0-	18,750 **	56,250	36,611	19,639
	<u>-0-</u>	<u>18,750</u>	<u>56,250</u>	<u>36,611</u>	<u>19,639</u>
Total	\$ 126,380	\$ 42,814	\$ 56,250	\$ 111,895	\$ 46,671
	<u>\$ 126,380</u>	<u>\$ 42,814</u>	<u>\$ 56,250</u>	<u>\$ 111,895</u>	<u>\$ 46,671</u>

* Repaid during the year ended June 30, 2025

** Grant G240981 refundable advance for the period 10/01/2023-09/30/2024 was actually repaid on February 26, 2025.

The Children's Home Society of West Virginia, Inc.

Schedule of Division of Administrative Services, Justice and Community Services
Funding Status

For the Year Ended June 30, 2025

Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Received	Total Current Year Expenditures	Under (Over) Expended End of Year
25-CAC-07	\$ 108,565	\$ -0-	\$ 108,565	\$ 104,587	\$ 3,978
	<u>108,565</u>	<u>-0-</u>	<u>108,565</u>	<u>104,587</u>	<u>3,978</u>
25-VA-016	153,148	-0-	102,099	34,818	67,281
	<u>153,148</u>	<u>-0-</u>	<u>102,099</u>	<u>34,818</u>	<u>67,281</u>
24-VA-016	-0-	43,280	21,410	64,690	-0-
	<u>-0-</u>	<u>43,280</u>	<u>21,410</u>	<u>64,690</u>	<u>-0-</u>
Total	\$ 261,713	\$ 43,280	\$ 232,074	\$ 204,095	\$ 71,259

See Independent Auditor's Report.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of
The Children's Home Society of West Virginia, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Children's Home Society of West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Children's Home Society of West Virginia, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Children's Home Society of West Virginia, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Children's Home Society of West Virginia, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors of
The Children's Home Society of West Virginia, Inc.
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Children's Home Society of West Virginia, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charleston, West Virginia
January 29, 2026

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
The Children's Home Society of West Virginia, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Children's Home Society of West Virginia, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Children's Home Society of West Virginia, Inc.'s major federal programs for the year ended June 30, 2025. The Children's Home Society of West Virginia, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Children's Home Society of West Virginia, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Children's Home Society of West Virginia, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Children's Home Society of West Virginia, Inc.'s compliance with the compliance requirements referred to above.

To the Board of Directors of
The Children's Home Society of West Virginia, Inc.
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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Children's Home Society of West Virginia, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Children's Home Society of West Virginia, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Children's Home Society of West Virginia, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Children's Home Society of West Virginia, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Children's Home Society of West Virginia, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Children's Home Society of West Virginia, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Directors of
The Children's Home Society of West Virginia, Inc.
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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, West Virginia
January 29, 2026

The Children's Home Society of West Virginia, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
Department of Health and Human Services			
Transitional Living for Homeless Youth	93.550	90CX7634-03-00	\$ 57,094
Transitional Living for Homeless Youth	93.550	90CX7523-01-00	187,299
Total Transitional Living for Homeless Youth			<u>244,393</u>
Passed Through the West Virginia			
Department of Health and Human Resources			
CCDF Cluster			
Childcare and Development Block Grant	93.575	Unknown	69,844
Total CCDF Cluster			<u>69,844</u>
Medicaid Cluster			
Medical Services Administration	93.778	G250140	126,381
Total Medicaid Cluster			<u>126,381</u>
MaryLee Allen Promoting Safe and Stable Families	93.556	G250455	7,598
MaryLee Allen Promoting Safe and Stable Families	93.556	G250456	7,598
MaryLee Allen Promoting Safe and Stable Families	93.556	G250457	7,598
MaryLee Allen Promoting Safe and Stable Families	93.556	G250458	7,598
Total MaryLee Allen Promoting Safe and Stable Families			<u>30,392</u>
Temporary Assistance for Needy Families State Programs	93.558	G250455	225,678
Temporary Assistance for Needy Families State Programs	93.558	G250456	225,678
Temporary Assistance for Needy Families State Programs	93.558	G250457	225,678
Temporary Assistance for Needy Families State Programs	93.558	G250458	188,600
Total Temporary Assistance for Needy Families State Programs			<u>865,634</u>
Community-Based Child Abuse Prevention Grants	93.590	G250455	1,756
Community-Based Child Abuse Prevention Grants	93.590	G250456	1,756
Community-Based Child Abuse Prevention Grants	93.590	G250457	1,756
Community-Based Child Abuse Prevention Grants	93.590	G250458	1,756
Total Community-Based Child Abuse Prevention Grants			<u>7,024</u>
John H. Chafee Foster Care Program	93.674	G250366	288,319
John H. Chafee Foster Care Program	93.674	G250367	164,559
Total John H. Chafee Foster Care Program			<u>452,878</u>
Maternal, Infant and Early Childhood Homevisiting	93.870	G240981	7,254
Maternal, Infant and Early Childhood Homevisiting	93.870	G250581	121,620
Total Maternal, Infant and Early Childhood Homevisiting			<u>128,874</u>
Total Department of Health and Human Services			<u>1,925,420</u>

The Children's Home Society of West Virginia, Inc.
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
Department of Justice			
Passed Through the Division of Justice and Community Service			
Victims of Crime Assistance	16.575	24-VA-016	23,582
Victims of Crime Assistance	16.575	25-VA-016	51,049
Total Victims of Crime Assistance			<u>74,631</u>
Passed Through Child Protect of Mercer County			
Opioid Affected Youth Initiative	16.842	15PJDP-22-GG-03260-JJOP	48,254
Total Department of Justice			<u>122,885</u>
Department of the Treasury			
Passed Through Berkeley County Council			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SG-CHS-BCCARPA-0005	20,831
Passed Through Mercer County Commission			
Coronavirus State and Local Fiscal Recovery Funds	21.027	MC-22.37	98,362
Total Department of the Treasury			<u>119,193</u>
Department of Housing and Urban Development			
Passed Through the City of Parkersburg			
HOME Tenant Based Rental Assistance Homeless Youth	14.239	Unknown	48,540
CDBG - Entitlement Grants Cluster			
Passed Through the City of Martinsburg			
Community Development Block Grants	14.218	CDBG	5,500
Passed Through the City of Charleston			
Community Development Block Grants	14.218	CD-24-07	23,500
Total Community Development Block Grants			<u>29,000</u>
Total CDBG - Entitlement Grants Cluster			<u>29,000</u>
Total Department of Housing and Urban Development			<u>77,540</u>
Total Expenditures of Federal Awards			<u>\$ 2,245,038</u>

The Children's Home Society of West Virginia, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note A – Basis of Presentation

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Children's Home Society of West Virginia, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Children's Home Society of West Virginia, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Children's Home Society of West Virginia, Inc.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Additionally, pass-through entities identifying numbers are presented where available.

The Children's Home Society of West Virginia, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Instead, a federally negotiated provisional rate is utilized. The provisional rate applicable through June 30, 2026 is 12.10%.

The Children's Home Society of West Virginia, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section 1 – Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements notes? Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of Auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
-----------------------	---

93.558	Temporary Assistance for Needy Families
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

The Children's Home Society of West Virginia, Inc.
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.