
**THE WEST VIRGINIA HUMANITIES
COUNCIL, INC.**

FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

YEARS ENDED OCTOBER 31, 2024 AND 2023

WITH

INDEPENDENT AUDITOR'S REPORTS



A Professional Limited Liability Company

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The West Virginia Humanities Council, Inc.
Charleston, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The West Virginia Humanities Council, Inc. (the Council) (a nonprofit organization), which comprise the statements of financial position as of October 31, 2024 and 2023, 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 referred to above present fairly, in all material respects, the financial position of the Council as of October 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended October 31, 2024, the Council implemented Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to that matter.

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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.

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 Council'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 Council'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 Council'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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*, and schedule of direct state awards are presented for purposes of additional analysis and are 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 information is 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 July 30, 2025, on our consideration of the Council'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 to solely 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 Council'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 Council's internal control over financial reporting and compliance.



Charleston, West Virginia

July 30, 2025

STATEMENTS OF FINANCIAL POSITION

OCTOBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash	\$ 70,882	\$ 737,286
Investments	1,640,479	593,983
Grants receivable	80,879	324,996
Other current assets	25,313	15,171
	<hr/> 1,817,553	<hr/> 1,671,436
Total current assets		
Property and equipment		
Land and land improvements	297,244	297,244
Construction in progress	-	3,001
Building and renovations	1,173,349	1,156,415
Furniture, fixtures, and office equipment	468,023	503,926
Total property and equipment	1,938,616	1,960,586
Accumulated depreciation	(1,173,062)	(1,161,207)
Net property and equipment	765,554	799,379
Other assets		
Intangibles	169,440	144,440
Total other assets	<hr/> 169,440	<hr/> 144,440
	<hr/> \$ 2,752,547	<hr/> \$ 2,615,255
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 13,286	\$ 15,509
Regrants payable	236,759	246,744
Accrued expenses	36,801	65,532
	<hr/> 286,846	<hr/> 327,785
Net assets		
Without donor restrictions	<hr/> 2,465,701	<hr/> 2,287,470
	<hr/> \$ 2,752,547	<hr/> \$ 2,615,255

The Accompanying Notes Are An Integral
Part Of These Financial Statements

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED OCTOBER 31, 2024 AND 2023

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	2024	2023
Revenue and support		
Direct federal awards-NEH	\$ 902,649	\$ 1,019,055
Other federal contracts and grants	221,249	190,212
Other contract and grant revenue	251,500	258,500
Donations and pledges	330,713	841,970
Investment income (loss)	246,799	8,250
WV Encyclopedia / e-WV	1,980	2,049
Other income	<u>340</u>	<u>7,287</u>
 Total revenue and support	 <u>1,955,230</u>	 <u>2,327,323</u>
 Expenses		
Program services		
Regrants	391,385	423,703
Folklore	117,803	112,053
WV Encyclopedia / e-WV	100,957	125,932
Other direct programs	<u>617,604</u>	<u>471,225</u>
Total program services	<u>1,227,749</u>	<u>1,132,913</u>
Administrative	401,819	422,542
Development	<u>147,431</u>	<u>122,606</u>
 Total expenses	 <u>1,776,999</u>	 <u>1,678,061</u>
 CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
	<u>178,231</u>	<u>649,262</u>
 CHANGE IN NET ASSETS	 178,231	 649,262
 Net assets without donor restrictions - beginning of year	 <u>2,287,470</u>	 <u>1,638,208</u>
 Net assets without donor restrictions - end of year	 <u>\$ 2,465,701</u>	 <u>\$ 2,287,470</u>

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED OCTOBER 31, 2024

	Program Expenses														
	Regrants		Folklore		WV Encyclopedia/ e-WV		Other Direct Programs		Total Program Expense		Administrative		Development		Total
Direct expenses															
Salaries	\$ 58,680	\$ 58,605	\$ 43,309	\$ 110,635	\$ 271,229	\$ 189,268	\$ 75,279	\$ 535,776							
Taxes & benefits	11,239	17,780	32,516	43,173	104,708	59,489	21,614	185,811							
Contracted svcs./honoraria	500	16,462	6,564	330,418	353,944	5,165	792	359,901							
Major grants	178,386	-	-	-	178,386	-	-	178,386							
Mini grants	38,849	-	-	-	38,849	-	-	38,849							
Fellowship grants	30,000	-	-	-	30,000	-	-	30,000							
Media/publication grants	79,920	-	-	-	79,920	-	-	79,920							
TAP grants	3,300	-	-	-	3,300	-	-	3,300							
Regrant withdrawals	(40,309)	-	-	-	(40,309)	-	-	(40,309)							
Board meetings & travel	966	-	-	948	1,914	9,020	-	10,934							
Staff travel & meetings	48	11,940	-	6,003	17,991	7,301	332	25,624							
Supplies/miscellaneous	7,805	3,798	8,750	13,918	34,271	13,039	4,686	51,996							
Dues/training/development	2,475	957	957	7,654	12,043	7,291	2,622	21,956							
Printing/production/postage	251	402	1,002	36,099	37,754	3,241	19,363	60,358							
Public relations	-	-	-	-	-	-	-	2,322							
Maintenance/repairs/exterior	5,521	2,134	2,134	26,217	36,006	16,272	5,849	58,127							
Depreciation	-	-	-	-	-	51,179	-	51,179							
Other expenses	13,754	5,725	5,725	42,539	67,743	40,554	14,572	122,869							
Total expenses	\$ 391,385	\$ 117,803	\$ 100,957	\$ 617,604	\$ 1,227,749	\$ 401,819	\$ 147,431	\$ 1,776,999							

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED OCTOBER 31, 2023

	Program Expenses														
	Regrants		Folklore		WV Encyclopedia/ e-WV		Other Direct Programs		Total Program Expense		Administrative		Development		Total
Direct expenses															
Salaries	\$ 58,481	\$ 54,573	\$ 63,315	\$ 82,303	\$ 258,672	\$ 196,989	\$ 62,689	\$ 518,350							
Taxes & benefits	13,501	21,226	46,401	29,998	111,126	91,952	26,371	229,449							
Contracted svcs./honoraria	19,645	12,321	2,422	261,696	296,084	1,948	3,721	301,753							
Major grants	230,575	-	-	-	230,575	-	-	230,575							
Mini grants	25,137	-	-	-	25,137	-	-	25,137							
Fellowship grants	30,000	-	-	-	30,000	-	-	30,000							
Media/publication grants	29,769	-	-	-	29,769	-	-	29,769							
Teacher Institute grants	32,990	-	-	-	32,990	-	-	32,990							
TAP grants	7,316	-	-	-	7,316	-	-	7,316							
Regrant withdrawals	(47,619)	-	-	-	(47,619)	-	-	(47,619)							
Board meetings & travel	-	-	-	-	-	-	5,351	622	5,973						
Staff travel & meetings	1,211	13,386	170	3,725	18,492	3,621	634	22,747							
Supplies/miscellaneous	5,442	3,058	5,658	11,638	25,796	10,612	3,814	40,222							
Dues/training/development	2,374	1,103	918	7,344	11,739	6,999	2,516	21,254							
Printing/production/postage	1,196	628	1,259	24,768	27,851	960	5,530	34,341							
Public relations	-	-	-	-	-	-	-	2,211	2,211						
Maintenance/repairs/exterior	4,436	1,715	1,715	20,158	28,024	13,075	4,699	45,798							
Depreciation	-	-	-	-	-	-	63,704	-	63,704						
Other expenses	9,249	4,043	4,074	29,595	46,961	27,331	9,799	84,091							
Total expenses	<u>\$ 423,703</u>	<u>\$ 112,053</u>	<u>\$ 125,932</u>	<u>\$ 471,225</u>	<u>\$ 1,132,913</u>	<u>\$ 422,542</u>	<u>\$ 122,606</u>	<u>\$ 1,678,061</u>							

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.

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STATEMENTS OF CASH FLOWS

YEARS ENDED OCTOBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 178,231	\$ 649,262
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	51,179	63,704
Investment income credited directly to investment accounts	(246,799)	(8,250)
Changes in operating assets and liabilities:		
Grants receivable	244,117	(21,952)
Other current assets	(10,142)	1,358
Accounts payable	(2,223)	(915)
Regrants payable	(9,985)	(2,957)
Accrued expenses	<u>(28,731)</u>	<u>6,453</u>
Net cash provided by operating activities	<u>175,647</u>	<u>686,703</u>
Cash flows from investing activities:		
Cash paid for purchases of fixed assets	(17,354)	(13,307)
Cash paid for purchases of intangibles	(25,000)	(28,000)
Cash purchases of investments	<u>(799,697)</u>	<u>-</u>
Net cash used in investing activities	<u>(842,051)</u>	<u>(41,307)</u>
Cash flows from financing activities:		
Repayments of line of credit	-	(80,000)
Borrowings from line of credit	<u>-</u>	<u>80,000</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	<u>(666,404)</u>	<u>645,396</u>
Cash, beginning of year	<u>737,286</u>	<u>91,890</u>
Cash, end of year	<u>\$ 70,882</u>	<u>\$ 737,286</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations - The West Virginia Humanities Council, Inc. (the Council) is a corporation organized under the laws of the State of West Virginia for the purpose of promoting the humanities. The Council is principally funded by the National Endowment for the Humanities (NEH). It also receives funding from the State of West Virginia, other organizations, and individuals. The Council is classified by the Internal Revenue Service as a tax-exempt organization under the provisions of Code Section 501(c)(3).

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Cash - For purposes of the statements of cash flows, the Council considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash.

Investments - Investments consist of money market funds, stocks, mutual funds, and U.S. Agency Bonds and are reported at fair value determined by quoted market prices. The net appreciation (depreciation) in investments is reported as investment income (loss) in the statements of activities and is reported net of related expenses, such as custodial fees.

Pledges receivable - Unconditional pledges are recorded as receivables in the period made. Pledges for support of current operations are recorded as net assets without donor restrictions. When applicable, pledges for support of future operations and property and equipment acquisitions are recorded as net assets with donor restrictions. There were no pledges receivable outstanding at October 31, 2024 or 2023.

Property and equipment - Purchases of property and equipment greater than \$500 are capitalized at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, five to forty years.

Intangibles - Intangible assets subject to amortization include the e-WV software rebuild. Intangible assets are amortized using the straight-line method over the estimated useful life. The software is not subject to amortization until the software has been placed into service. As of October 31, 2024 and 2023, the amount of intangible assets not subject to amortization amounted to \$169,440 and \$144,440, respectively. Amortization expense for the years ended October 31, 2024 and 2023 amounted to \$0.

Net assets without donor restrictions - Net assets without donor restrictions are comprised of funds whose use is limited only to the extent that the organization's by-laws limit the activities of the organization. Contributions with donor-imposed restrictions that are met in the same year in which the contribution is recognized are reported as changes in net assets without donor restrictions.

Net assets with donor restrictions - Net assets with donor restrictions are comprised of funds which have been limited by donors to a specific time period and/or purpose.

Revenue and receivables - The Council records unconditional grant awards in the period granted. The Council recognizes revenue from conditional grant awards when expenses in compliance with the specific restrictions are incurred. Such amounts received or granted but not yet expended are recorded as refundable advances. Use of such cash is restricted to the purposes of the grant or contribution. Unrestricted grants and contributions are recorded as revenue in the period received. Restricted grants and contributions which are received and whose restrictions are met within the same reporting period are reported as changes in net assets without donor restrictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts recorded as grants receivable at year end represent current valid claims due from the federal grantor at year end for which qualifying expenditures have been incurred. In accordance with FASB Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, the Council's evaluation of potential credit losses on the grants receivable is based on historical information, current conditions, and reasonable and supportable forecasts. Management believes that these amounts are collectible; therefore, an allowance for credit losses has not been recorded at October 31, 2024 and 2023.

Certain other revenues, such as contract services, are recognized ratably over the term of the corresponding agreements as services or goods are exchanged.

Regrants - Regrants are recorded as expense in the period in which they are approved by the Board of Directors and the grant agreement is signed by the grantee. Regrants payable at year end consists of grants approved and awarded, but not disbursed.

Income taxes - The Council is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Council has been classified as an organization that is not a private foundation.

For the year ended October 31, 2024, the Council has no material uncertain tax positions to be accounted for in the financial statements under the professional standards. The Council recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. As of October 31, 2024, tax years ending on or after October 31, 2021 remain subject to examination.

Fair value of financial instruments - Professional accounting standards establish a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The Council accounts for its investments at fair value and are recorded on the statement of financial position based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 - Financial assets are valued using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Financial assets are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses - The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses are charged to program or supporting services as incurred, allocated expenses were charged on the basis of estimates of time and effort or other statistical bases.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Estimates affecting the financial statements include depreciation, investment market values, valuation of receivables, and allocation of functional expenses. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation. These reclassifications did not impact total net assets or the change in net assets.

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

Subsequent events - In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through July 30, 2025, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Council's financial assets available for general expenditure within one year after year end are as follows at October 31, 2024 and 2023:

	2024	2023
Cash	\$ 70,882	\$ 737,286
Investments	65,619	23,759
Grants receivable	80,879	324,996
	<hr/> <u>\$ 217,380</u>	<hr/> <u>\$ 1,086,041</u>

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

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NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. None of the financial assets are subject to contractual or other restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. To help manage unanticipated liquidity needs, the Council has a committed line of credit upon which it can draw. The available balance on the line of credit was \$400,000 at October 31, 2024 and 2023.

NOTE 3 - CASH

For purposes of the statements of cash flows, cash consists of the carrying value of cash in operating bank accounts. Cash consists of cash on hand and deposits with federally-insured banking institutions.

At October 31, 2024 and 2023, information concerning the amount of deposits with financial institutions, is as follows:

	2024	2023
Book balances at October 31	<u>\$ 70,882</u>	<u>\$ 737,286</u>
Bank balances at October 31	<u>\$ 101,554</u>	<u>\$ 732,757</u>
Amount insured by FDIC	<u>101,554</u>	<u>280,026</u>
Balance in excess of FDIC insurance	<u>\$ -</u>	<u>\$ 452,731</u>

Throughout the year, the balances in the bank accounts may exceed federally insured limits. However, management believes the financial institutions are financially sound and there is little credit risk associated with the deposits.

NOTE 4 - INVESTMENTS

Investments at October 31, 2024 and 2023 were held by NTV Asset Management and Charles Schwab Institutional. Both are members of the New York Stock Exchange and Securities Investor Protection Corporation.

The net appreciation (depreciation) in investments is reported as investment income (loss) without donor restrictions in the statements of activities. Investment revenues were reported net of such related expenses.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED OCTOBER 31, 2024 AND 2023

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NOTE 4 - INVESTMENTS (Continued)

Market values, determined by quoted market prices at October 31, 2024 and 2023, are summarized as follows:

	2024	2023
Cash, including money market funds	\$ 13,734	\$ 29,961
Stocks, including stock index funds	1,442,066	491,298
Fixed income, including bond index funds	<u>184,679</u>	<u>72,724</u>
 Total investments	 <u>\$ 1,640,479</u>	 <u>\$ 593,983</u>

Investment income and net gains (losses) on investments were as follows for the years ended October 31, 2024 and 2023:

	2024	2023
Interest and dividends, net of investment fees	\$ 20,357	\$ 10,266
Net gains (losses) on investments	<u>226,442</u>	<u>(2,016)</u>
 Total income from investments	 <u>\$ 246,799</u>	 <u>\$ 8,250</u>

NOTE 5 - FAIR VALUE MEASUREMENTS

The Council uses fair value measurements of certain assets and liabilities to record fair value adjustments and to determine fair value disclosures. For additional information, refer to Note 1 - Summary of Significant Accounting Policies.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED OCTOBER 31, 2024 AND 2023

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NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis at October 31, 2024 and 2023 are as follows:

Fair Value Measurements at Reporting Date

<u>October 31, 2024</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 13,734	\$ 13,734	\$ -	\$ -
Stocks	1,442,066	1,442,066	-	-
Fixed income	184,679	184,679	-	-
 Total investments at fair value	 \$ 1,640,479	 \$ 1,640,479	 \$ -	 \$ -
<u>October 31, 2023</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 29,961	\$ 29,961	\$ -	\$ -
Stocks	491,298	491,298	-	-
Fixed income	72,724	72,724	-	-
 Total investments at fair value	 \$ 593,983	 \$ 593,983	 \$ -	 \$ -

NOTE 6 - REVENUE FROM GRANTS, CONTRIBUTIONS, AND CONTRACTS WITH CUSTOMERS

The majority of the Council's revenues are derived from grants, contracts, and donations.

The Council has evaluated the nature of its grants and contracts revenue and has determined that the majority of these revenues should be treated as conditional contributions in accordance with FASB ASU No. 2018-08, *Not-for-Profit Entities*. While certain contracts fall under separate accounting guidance as disclosed below, the remaining revenue from grants and contracts will be recognized when conditions are met. For the years ended October 31, 2024 and 2023, the Council recognized revenue from grants and contracts under FASB ASU No. 2018-08 of \$1,375,398 and \$1,460,767, respectively.

The Council has evaluated the nature of its donations from donors in accordance with the guidance provided in ASU No. 2018-08. For the years ended October 31, 2024 and 2023, the Council recognized revenue from donations of \$330,713 and \$841,970, respectively.

NOTE 6 - REVENUE FROM GRANTS, CONTRIBUTIONS, AND CONTRACTS WITH CUSTOMERS (Continued)

Under ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, revenues from certain contracts are reported at the amount that reflects the consideration to which the Council expects to be entitled in exchange for providing services and goods under the terms of the contracts. These are amounts due from customers, and there is no variable component to the consideration. Generally, the Council bills under these contracts semi-annually or annually after the services are provided. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Council. Performance obligations for the Council's contracts are satisfied over time. Revenue for the Council's contracts satisfied over time is recognized based on the terms noted in the agreed-upon contract. The Council's performance obligation is satisfied when the services are rendered within the arranged service period, which generally does not exceed a time frame of one year.

The transaction price is based on an agreed-upon contract with a customer prior to the services being provided. There are no discounts or other adjustments to established charges. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

Returns and refunds related to contracts with customers are uncommon, and there were no returns or refunds for the years ended October 31, 2024 and 2023.

For the year ended October 31, 2024 and 2023, the Council recognized revenues of \$0 and \$7,000, respectively, related to contract services transferred to the customer over time.

The Council had no contract balances outstanding from customers at October 31, 2024 and 2023.

NOTE 7 - FEDERAL AND STATE FUNDING

The Council receives a substantial amount of its support from the National Endowment for the Humanities (NEH) and the State of West Virginia. A significant reduction in the level of this support, if this were to occur, may have a significant adverse effect on the Council's programs. The grants require the fulfillment of certain conditions as set forth in the instrument of the grant. The Council is generally required to cost-share every dollar in federal funds provided from NEH with an equal amount of cash or in-kind cost sharing, including cash match provided by grantees. Failure to fulfill the conditions could result in the return of funds to the NEH.

The Council recognized revenue of \$902,649 and \$1,019,055 in Federal funding directly from the NEH for the years ended October 31, 2024 and 2023, respectively. The Council recognized revenue of \$17,944 and \$0 in Federal funding from the National Endowment for the Arts (NEA) for the years ended October 31, 2024 and 2023, respectively. The Council recognized revenue of \$166,305 and \$153,212 in Federal funding from the U.S. Department of Veterans Affairs for the years ended October 31, 2024 and 2023, respectively. The Council recognized revenue of \$288,500 and \$288,500 from the West Virginia Department of Arts, Culture and History for the years ended October 31, 2024 and 2023, respectively. A significant reduction in the level of this support would have a significant adverse effect on the Council's programs.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED OCTOBER 31, 2024 AND 2023

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NOTE 8 - PROGRAM SERVICES

Expenses for program services conducted by or under the supervision of the Council's staff with funds provided by NEH, NEA, the State of West Virginia, and private donations for the years ended October 31, 2024 and 2023 were as follows:

	2024	2023
Regrants	\$ 391,385	\$ 423,703
Folklore	117,803	112,053
WV Encyclopedia / e-WV	100,957	125,932
Other direct programs:		
History Alive	53,182	42,663
McCreight Lecture	52,411	36,355
People and Mountains	65,803	43,665
Little Lectures	31,848	22,759
Hubbard House	42,746	37,989
Book Festival	25,544	26,099
Veterans	199,914	153,298
United We Stand	42,220	-
Windows of Opportunity, Broad Side, & Other	103,936	108,397
Total other direct program expense	<u>617,604</u>	<u>471,225</u>
 Total program services	 <u>\$ 1,227,749</u>	 <u>\$ 1,132,913</u>

NOTE 9 - RETIREMENT PLANS

The Council has a mandatory defined contribution retirement plan that covers all eligible employees and a voluntary tax-deferred annuity plan that covers all eligible employees who choose to utilize the plan. Employees are eligible for the plans during the first month of employment. The Council contributes 5% of each covered employee's salary to the mandatory plan. Under the voluntary plan, the Council may be required to contribute up to 8% of an eligible employee's salary. Employees are 100% vested in all contributions. For the years ended October 31, 2024 and 2023, total contributions made to the plans by the Council were \$48,605 and \$46,963, respectively.

NOTE 10 - LINE OF CREDIT

The Council has been extended a \$400,000 secured line of credit with a local bank. The line of credit is secured by certain assets of the Council. The interest is based on The Wall Street Journal U.S. Prime Rate plus 0.250 percentage points, or 4.0%, whichever is higher, and is payable monthly. At both October 31, 2024 and 2023, the Council had outstanding borrowings of \$0.

NOTE 11 - GOING CONCERN CONSIDERATIONS

Subsequent to year-end, in April 2025, the Council received a Notice of Grant Termination from the NEH due to federal cuts implemented by the U.S. Department of Government Efficiency. All grant payments, including any pending drawdown requests, were ceased. Direct federal awards from the NEH are the single largest revenue source for the Council, so this grant termination raised initial concerns regarding the Council's ability to continue as a going concern.

Management has evaluated the Council's financial position and determined that substantial doubt about its ability to continue as a going concern is alleviated due to the following mitigating factors:

- The Council maintains a strong liquidity position, with adequate cash and cash equivalents and investments that are readily available to support ongoing operations.
- The Council has access to an undrawn line of credit in the amount of \$400,000, which provides additional financial flexibility.
- The Council successfully secured new funding commitments, including \$200,000 from the Mellon Foundation with up to an additional \$50,000 available as match funds to encourage local donations.
- The Council has received \$250,000 from the State of West Virginia in fiscal year 2025 and remains in the State of West Virginia's budget to receive \$250,000 for fiscal year 2026.
- Management has also implemented cost control measures and revised its operating budget to align with current funding levels, including immediately suspending all statewide grantmaking and pausing all statewide programming not funded through outside foundations.
- The Council received a Notice of Reinstatement from the NEH in June 2025. Although federal funding is expected to be cut significantly from the initial grant award amount, the Council can continue approved activities under the federal awards and management anticipates receiving partial reimbursement for expenses previously incurred under the grant.

Based on these factors, management believes the Council has sufficient resources to meet its obligations as they become due and to continue its operations for at least one year from the date the financial statements are available to be issued. Therefore, although the loss of NEH funding initially raised substantial doubt about the Council's ability to continue as a going concern, that doubt has been alleviated by management's plans and available resources. The accompanying financial statements have been prepared on a going concern basis.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED OCTOBER 31, 2024

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
National Endowment for the Humanities				
Promotion of the Humanities Federal/State Partnership	45.129	N/A	\$ 902,649	\$ 290,146
Promotion of the Arts Grants to Organizations & Individuals	45.024	N/A	17,944	-
Passed through West Virginia Department of Arts, Culture, and History				
Promotion of the Arts Partnership Agreements	45.025	FA24-079738	37,000	-
Total for National Endowment for the Humanities			957,593	290,146
Department of Veterans Affairs				
Veterans Legacy Grants Program	64.204	N/A	166,305	-
Total for Department of Veterans Affairs			166,305	-
Total federal expenditures			\$ 1,123,898	\$ 290,146

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED OCTOBER 31, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards 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.

NOTE 2 - INDIRECT COST RATE

The Council has not elected to use the 10% de minimis indirect cost rate allowed under Section 200.414 of the Uniform Guidance.

NOTE 3 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Council and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 4 - REGRANTS

Of the federal expenditures presented in this schedule, the Council provided \$290,146 in regrant awards to grantees from the Promotion of the Humanities Federal/State Partnership program.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.

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SCHEDULE OF DIRECT STATE AWARDS

YEAR ENDED OCTOBER 31, 2024

<u>Grantor Name/Program Title</u>	<u>Grant/ Fund Account Number</u>	<u>Award Amount</u>	<u>Receivable (Refundable) 10/31/2023</u>	<u>Receipts 10/31/2023</u>	<u>Expenditures 10/31/2023</u>	<u>Receivable (Refundable) 10/31/2024</u>
West Virginia Department of Arts, Culture and History:						
Programs and Administration	24*2801	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
Folk Arts Grant Project	FA24-079738	1,500	-	1,500	1,500	-

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED OCTOBER 31, 2024

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2023-001 FINANCIAL REPORTING

Condition: Several accounts in the general ledger required material adjustments to reconcile to supporting documentation.

Status: Corrective action taken and finding is resolved.

2023-002 ALLOWABILITY

Federal Program Information:	Federal Agency and Program Name	Federal Assistance Listing Number
	National Endowment for the Humanities	
	Promotion of the Humanities Federal/State Partnership	45.129
	Grant Number: SO-289836-23	

Condition: For two of the 40 transactions selected for testing, there was no documentation of review and approval of the expenditure for allowability and payment.

Status: Corrective action taken and finding is resolved.

2023-003 REPORTING

Federal Program Information:	Federal Agency and Program Name	Federal Assistance Listing Number
	National Endowment for the Humanities	
	Promotion of the Humanities Federal/State Partnership	45.129
	Grant Number: SO-289836-23	

Condition: For both of the SF-425 reports selected for testing, there was no documentation of review and approval of the SF-425 report prior to submission. For one of the SF-425 reports selected for testing, inaccurate data was input and submitted.

Status: Corrective action taken and finding is resolved.

2023-004 SEFA REPORTING

Federal Program Information:	Federal Agency and Program Name	Federal Assistance Listing Number
	National Endowment for the Humanities	
	Promotion of the Humanities Federal/State Partnership	45.129
	Grant Number: SO-289836-23	

Condition: The Council's internal controls are not adequate to ensure the Schedule of Expenditures of Federal Awards (SEFA) accurately reports Federal assistance. The Council's fiscal year 2023 SEFA for the Promotion of the Humanities Federal/State Partnership program included expenditures from other fiscal years.

Status: Finding is not resolved. See repeat finding 2024-001.

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

Board of Directors
The West Virginia Humanities Council, Inc.
Charleston, West Virginia

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 West Virginia Humanities Council, Inc. (the Council) (a nonprofit organization), which comprise the statement of financial position as of October 31, 2024, 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 July 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing the 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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.

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.

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FAX (304) 485-0971

Suncrest Towne Centre
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Suite 201
Morgantown, WV 26505

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

The Somerville Building
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Suite 1
Huntington, WV 25701

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Suttle & Stalnaker, PLLC". The signature is fluid and cursive, with "Suttle" and "Stalnaker" being the most prominent parts.

Charleston, West Virginia

July 30, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

Board of Directors
The West Virginia Humanities Council, Inc.
Charleston, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The West Virginia Humanities Council, Inc.'s (the Council) 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 Council's major federal programs for the year ended October 31, 2024. The Council'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 Council 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 October 31, 2024.

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 Council 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 Council's compliance with the compliance requirements referred to above.

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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 Council'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 Council'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 Council'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 Council'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 Council'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 Council's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Council's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. During our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Council's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
July 30, 2025

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED OCTOBER 31, 2024

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SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: _____ **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes no none reported

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? yes _____ none reported

Type of auditor's report issued on compliance for major federal programs: _____ **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes _____ no

Identification of major programs:

Federal Assistance Listing

Number(s) _____ Name of Federal Program or Cluster _____

45.129 Promotion of the Humanities Federal/State Partnership

Dollar threshold used to distinguish between Type A and Type B programs: _____ **\$750,000**

Auditee qualified as low-risk auditee? _____ yes no

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED OCTOBER 31, 2024

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SECTION II - FINANCIAL STATEMENT FINDINGS

None

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED OCTOBER 31, 2024

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SECTION III - FEDERAL AWARD FINDINGS
AND QUESTIONED COSTS

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED OCTOBER 31, 2024

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2024-001 SEFA REPORTING

Federal Program Information:	Federal Agency and Program Name	Federal Assistance Listing Number
	National Endowment for the Humanities Promotion of the Humanities Federal/State Partnership	45.129 Grant Number: SO-289836-23
Criteria:	2 CFR 200.303 requires that a non-federal entity must “(a) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).”	
	2 CFR 200.510(b) states that “the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.”	
Condition:	The Council’s internal controls are not adequate to ensure the Schedule of Expenditures of Federal Awards (SEFA) accurately reports Federal assistance. The Council’s fiscal year 2024 SEFA for the Promotion of the Humanities Federal/State Partnership program included expenditures from other fiscal years.	
Questioned Costs:	Not applicable.	
Context:	Total federal expenditures for the Promotion of the Humanities Federal/State Partnership program were \$902,649 for the year ended October 31, 2024.	
Cause:	The Council does not have adequate internal controls in place to ensure the accuracy of the SEFA.	
Effect:	The Council is not reporting accurate financial information in its SEFA.	
Identification as a Repeat Finding:	Prior Year Finding 2023-004	
Recommendation:	We recommend that the Council implement controls over financial reporting, including the SEFA, to ensure accuracy of financial data.	
Views of Responsible Officials:	<i>Management acknowledges the finding. See corrective action plan.</i>	



WEST VIRGINIA HUMANITIES COUNCIL

July 30, 2025

BOARD

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President

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Gregory Coble
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Grants Administrator

Tricia Stringer
Operations Manager

Kyle Warmack
Program Officer

Jennie Williams
State Folklorist

To Whom It May Concern:

The West Virginia Humanities Council, Inc. (the Council) respectfully submits the following corrective action plan for the year ended October 31, 2024.

Name and address of independent public accounting firm: Suttle & Stalnaker, PLLC, 1411 Virginia Street, East, Suite 100, Charleston, West Virginia 25301

Audit Period: Year ended October 31, 2024

The findings from the July 30, 2025 schedule of audit findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FEDERAL AWARD FINDINGS

2024-001 – SEFA REPORTING

Recommendation:

We recommend that the Council implement controls over financial reporting, including the SEFA, to ensure accuracy of financial data.

Action Taken:

Once the Fiscal Officer has compiled the financial reports and they have been reviewed by Matheny & Company AC, Senior Manager, the Fiscal Officer will send them to the Executive Director for final review and approval.

If there are any questions regarding this plan, please contact Heather Campbell at campbell@wvhumanities.org or 304-346-8500.

Sincerely,

Heather Campbell

Heather Campbell
Fiscal Officer
The West Virginia Humanities Council, Inc.