THE WEST VIRGINIA HUMANITIES COUNCIL, INC.

FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

YEARS ENDED OCTOBER 31, 2025 AND 2024

WITH

INDEPENDENT AUDITOR'S REPORTS

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

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Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

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, 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 referred to above present fairly, in all material respects, the financial position of the Council as of October 31, 2025 and 2024, 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, 2025, the Council early adopted Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. Our opinion is not modified with respect to that matter.

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 the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129) 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, 2026, 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.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
July 30, 2026

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash	$ 283,705	$ 84,616
Investments	1,398,334	1,626,745
Grants receivable	50,072	80,879
Other current assets	24,637	25,313
Total current assets	1,756,748	1,817,553
Property and equipment		
Land and land improvements	312,549	297,244
Building and renovations	1,175,149	1,173,349
Furniture, fixtures, and office equipment	469,923	468,023
Total property and equipment	1,957,621	1,938,616
Accumulated depreciation	(1,217,443)	(1,173,062)
Net property and equipment	740,178	765,554
Other assets		
Intangibles, net of accumulated amortization	170,532	169,440
Total other assets	170,532	169,440
Total assets	$ 2,667,458	$ 2,752,547
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 25,717	$ 13,286
Regrants payable	25,183	236,759
Accrued expenses	41,537	36,801
Total current liabilities	92,437	286,846
Net assets		
Without donor restrictions	2,575,021	2,465,701
Total liabilities and net assets	$ 2,667,458	$ 2,752,547

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2025 AND 2024

	2025	2024
Revenue and support		
Direct federal awards-NEH	$ 542,890	$ 902,649
Other federal contracts and grants	241,077	221,249
Other contract and grant revenue	486,700	251,500
Donations and pledges	296,961	330,713
Investment income (loss)	30,560	246,799
WV Encyclopedia / e-WV	2,095	1,980
Other income	7,171	340
Total revenue and support	1,607,454	1,955,230
Expenses		
Program services		
Regrants	121,249	391,385
Folklore	153,116	117,803
WV Encyclopedia / e-WV	90,643	100,957
Other direct programs	509,778	617,604
Total program services	874,786	1,227,749
Administrative	472,837	401,819
Development	150,511	147,431
Total expenses	1,498,134	1,776,999
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	109,320	178,231
CHANGE IN NET ASSETS	109,320	178,231
Net assets without donor restrictions - beginning of year	2,465,701	2,287,470
Net assets without donor restrictions - end of year	$ 2,575,021	$ 2,465,701

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2025

	Program Expenses							
	Regrants	Folklore	WV Encyclopedia/ e-WV	Other Direct Programs	Total Program Expense	Administrative	Development	Total
Direct expenses								
Salaries	$ 62,018	$ 67,767	$ 41,316	$ 116,441	$ 287,542	$ 214,418	$ 92,868	$ 594,828
Taxes & benefits	9,849	20,546	30,542	44,294	105,231	64,843	23,932	194,006
Contracted svcs./honoraria	4,655	40,575	3,798	231,326	280,354	18,844	830	300,028
Mini grants	12,817	-	-	-	12,817	-	-	12,817
TAP grants	3,971	-	-	-	3,971	-	-	3,971
Regrant withdrawals	(2,123)	-	-	-	(2,123)	-	-	(2,123)
Board meetings & travel	381	79	-	-	460	8,289	43	8,792
Staff travel & meetings	131	8,316	-	11,529	19,976	3,534	-	23,510
Supplies/miscellaneous	9,633	5,451	6,291	18,627	40,002	15,378	5,506	60,886
Dues/training/development	2,473	956	956	7,648	12,033	7,291	2,620	21,944
Printing/production/postage	178	426	970	10,123	11,697	214	3,877	15,788
Public relations	-	-	-	442	442	-	2,542	2,984
Maintenance/repairs/exterior	5,326	2,574	2,574	24,106	34,580	15,690	5,643	55,913
Depreciation/amortization	-	-	-	-	-	86,613	-	86,613
Other expenses	11,940	6,426	4,196	45,242	67,804	37,723	12,650	118,177
Total expenses	$ 121,249	$ 153,116	$ 90,643	$ 509,778	$ 874,786	$ 472,837	$ 150,511	$ 1,498,134

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, 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	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.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 109,320	$ 178,231
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	86,613	51,179
Investment income credited directly to investment accounts	(30,560)	(246,799)
Changes in operating assets and liabilities:		
Grants receivable	30,807	244,117
Other current assets	676	(10,142)
Accounts payable	12,431	(2,223)
Regrants payable	(211,576)	(9,985)
Accrued expenses	4,736	(28,731)
Net cash provided by operating activities	2,447	175,647
Cash flows from investing activities:		
Cash paid for purchases of fixed assets	(22,729)	(17,354)
Cash paid for purchases of intangibles	(39,600)	(25,000)
Cash withdrawals from investments	293,549	-
Cash purchases of investments	(34,578)	(815,924)
Net cash provided by (used in) investing activities	196,642	(858,278)
Cash flows from financing activities:		
Repayments of line of credit	(250,000)	-
Borrowings from line of credit	250,000	-
Net cash used in financing activities	-	-
NET CHANGE IN CASH	199,089	(682,631)
Cash, beginning of year	84,616	767,247
Cash, end of year	$ 283,705	$ 84,616
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 11,196	$ -

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.

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, 2025 and 2024, the amount of intangible assets not subject to amortization amounted to $0 and $169,440, respectively. Amortization expense for the years ended October 31, 2025 and 2024 amounted to $38,508 and $0, respectively.

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, contributions, and pledges 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) 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, the Council's evaluation of potential credit losses on the grants receivable is based on historical collection information, existing economic conditions, collection activity after the statement of financial position date but before the financial statements are available to be issued, and any other factors deemed relevant by management that would impact credit risk. Management believes that these amounts are collectible; therefore, an allowance for credit losses has not been recorded at October 31, 2025 and 2024.

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 regrantee. 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, 2025, 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, 2025, tax years ending on or after October 31, 2022 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

New Accounting Standard - In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. ASU No. 2025-05 provides a practical expedient for estimating expected credit losses on current trade receivables and contract assets that allows entities to assume that current conditions as of the balance sheet date will remain unchanged over the remaining life of the assets, rather than incorporating forecasts of future economic conditions. The ASU also provides an additional accounting policy election for private entities to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual periods, with early adoption permitted. The ASU is to be applied prospectively to estimates of expected credit losses performed after the adoption date. On November 1, 2024, the Council early adopted ASU No. 2025-05 and elected the practical expedient and accounting policy election to consider subsequent collection activity. Early adoption of ASU No. 2025-05 resulted in no impact to the financial statements, and the Council does not expect ASU No. 2025-05 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, 2026, the date the financial statements were available to be issued.

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.

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, 2025 and 2024:

	2025	2024
Cash	$ 283,705	$ 84,616
Investments	55,933	65,070
Grants receivable	50,072	80,879
	$ 389,710	$ 230,565

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, 2025 and 2024.

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, 2025 and 2024, information concerning the amount of deposits with financial institutions, is as follows:

	2025	2024
Book balances at October 31	$ 283,705	$ 84,616
Bank balances at October 31	$ 308,501	$ 115,288
Amount insured by FDIC	308,501	115,288
Balance in excess of FDIC insurance	$ -	$ -

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, 2025 and 2024 were held by NTV Asset Management and Charles Schwab Institutional. Both are members of the New York Stock Exchange and Securities Investor Protection Corporation.

NOTE 4 - INVESTMENTS (Continued)

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.

Market values, determined by quoted market prices at October 31, 2025 and 2024, are summarized as follows:

	2025	2024
Stocks, including stock index funds	$ 733,560	$ 1,442,066
Fixed income, including bond index funds	664,774	184,679
Total investments	$ 1,398,334	$ 1,626,745

Investment income and net gains (losses) on investments were as follows for the years ended October 31, 2025 and 2024:

	2025	2024
Interest and dividends, net of investment fees	$ 33,489	$ 20,357
Net gains (losses) on investments	(2,929)	226,442
Total income from investments	$ 30,560	$ 246,799

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.

Fair values of assets measured on a recurring basis at October 31, 2025 and 2024 are as follows:

Fair Value Measurements at Reporting Date

October 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stocks, including stock index funds	$ 733,560	$ 733,560	$ -	$ -
Fixed income, including bond index funds	664,774	664,774	-	-
Total investments at fair value	$ 1,398,334	$ 1,398,334	$ -	$ -

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

October 31, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stocks, including stock index funds	$ 1,442,066	$ 1,442,066	$ -	$ -
Fixed income, including bond index funds	184,679	184,679	-	-
Total investments at fair value	$ 1,626,745	$ 1,626,745	$ -	$ -

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, 2025 and 2024, the Council recognized revenue from grants and contracts under FASB ASU No. 2018-08 of $1,270,667 and $1,375,398, 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, 2025 and 2024, the Council recognized revenue from donations of $296,961 and $330,713, respectively.

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 credit losses.

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

Returns and refunds related to contracts with customers are uncommon, and there were no returns or refunds for the years ended October 31, 2025 and 2024.

For the years ended October 31, 2025 and 2024, the Council recognized no revenue related to contract services transferred to the customer over time.

The Council had no contract balances outstanding from customers at October 31, 2025 and 2024.

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 regrantees. Failure to fulfill the conditions could result in the return of funds to the NEH.

The Council recognized revenue of $542,890 and $902,649 in Federal funding directly from the NEH for the years ended October 31, 2025 and 2024, respectively. The Council recognized revenue of $25,927 and $17,944 in Federal funding from the National Endowment for the Arts (NEA) for the years ended October 31, 2025 and 2024, respectively. The Council recognized revenue of $178,150 and $166,305 in Federal funding from the U.S. Department of Veterans Affairs for the years ended October 31, 2025 and 2024, respectively. The Council recognized revenue of $288,500 from the West Virginia Department of Arts, Culture and History for each of the years ended October 31, 2025 and 2024. A significant reduction in the level of this support would have a significant adverse effect on the Council's programs.

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, VA, the State of West Virginia, and private donations for the years ended October 31, 2025 and 2024 were as follows:

	2025	2024
Regrants	$ 121,249	$ 391,385
Folklore	153,116	117,803
WV Encyclopedia / e-WV	90,643	100,957
Other direct programs:		
History Alive	49,989	53,182
McCreight Lecture	50,731	52,411
People and Mountains	63,795	65,803
Little Lectures	23,231	31,848
Hubbard House	39,714	42,746
Book Festival	23,609	25,544
Veterans	200,769	199,914
United We Stand	-	42,220
Windows of Opportunity, Broad Side, & Other	57,940	103,936
Total other direct program expense	509,778	617,604
Total program services	$ 874,786	$ 1,227,749

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, 2025 and 2024, total employer contributions made to the plans by the Council were $30,163 and $28,178, 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, 2025 and 2024, the Council had outstanding borrowings of $0.

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF THE NEH PROMOTION OF THE HUMANITIES
FEDERAL/STATE PARTNERSHIP PROGRAM (ASSISTANCE LISTING 45.129)
YEAR ENDED OCTOBER 31, 2025

Received directly from the National Endowment for the Humanities	
Promotion of the Humanities - Federal/State Partnership	$ 542,890
Total expenditures	$ 542,890

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SCHEDULE OF DIRECT STATE AWARDS
YEAR ENDED OCTOBER 31, 2025

Grantor Name/Program Title	Grant/ Fund Account Number	Award Amount	Receivable (Refundable) 10/31/2024	Receipts	Expenditures	Receivable (Refundable) 10/31/2025
West Virginia Department of Arts, Culture and History:						
Programs and Administration	25*3027	$ 250,000	$ -	$ 250,000	$ 250,000	$ -
Folk Arts Grant Project	FA25-080035	1,500	-	1,500	1,500	-

THE WEST VIRGINIA HUMANITIES COUNCIL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*
YEAR ENDED OCTOBER 31, 2025

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 Grant Number: SO-289836-23	45.129

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.

Status: Finding is resolved.

*Finding 2024-001 is related to the Council's single audit as of and for the year ended October 31, 2024.

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, 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 July 30, 2026.

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.

The Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301
MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101
MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505
MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
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.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
July 30, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON THE NEH PROMOTION OF THE HUMANITIES FEDERAL/STATE PARTNERSHIP PROGRAM (ASSISTANCE LISTING 45.129) AND ON INTERNAL CONTROL OVER COMPLIANCE BASED ON AN AUDIT IN ACCORDANCE WITH THE NEH OIG PROGRAM-SPECIFIC AUDIT GUIDE

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

Report on Compliance for the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129)

Opinion on the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129)

We have audited The West Virginia Humanities Council, Inc.'s (the Council) compliance with the types of compliance requirements described in the NEH OIG Program-Specific Audit Guide that could have a direct and material effect on the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129) for the year ended October 31, 2025.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129) for the year ended October 31, 2025.

Basis for Opinion on the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129)

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 NEH OIG Program-Specific Audit Guide. Our responsibilities under those standards and the NEH OIG Program-Specific Audit Guide 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 the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129). Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

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 NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129).

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 NEH OIG Program-Specific Audit Guide 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 the NEH Promotion of the Humanities Federal/State Partnership Program (Assistance Listing 45.129) as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the NEH OIG Program-Specific Audit Guide, 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 NEH OIG Program-Specific Audit Guide, 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.

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 NEH OIG Program-Specific Audit Guide. Accordingly, this report is not suitable for any other purpose.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
July 30, 2026

NEH PROMOTION OF THE HUMANITIES FEDERAL/STATE PARTNERSHIP PROGRAM
(ASSISTANCE LISTING 45.129) FINDINGS AND QUESTIONED COSTS

Our program-specific audit disclosed no findings that are required to be reported herein under the NEH Office of Inspector General Program-Specific Audit Guide.