



HARRISONBURG-ROCKINGHAM

**THE COMMUNITY FOUNDATION OF
HARRISONBURG AND ROCKINGHAM COUNTY
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL REPORT

June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Audit & Finance Committee and Board of Directors
The Community Foundation of Harrisonburg & Rockingham County and subsidiaries
Harrisonburg, Virginia

Opinion

We have audited the accompanying financial statements of the Community Foundation of Harrisonburg & Rockingham County and subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated 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 Community Foundation of Harrisonburg & Rockingham County and subsidiaries as of June 30, 2024 and 2023, and the changes in their net assets and their 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. 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 Community Foundation of Harrisonburg & Rockingham County and subsidiaries 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 opinion.

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 Community Foundation of Harrisonburg & Rockingham County and subsidiaries' 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 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, 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 Community Foundation of Harrisonburg & Rockingham County and subsidiaries' 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 Community Foundation of Harrisonburg & Rockingham County and subsidiaries' 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.

Brown, Edwards & Company, S.C.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 29, 2024

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023**

	2024	2023
ASSETS		
Cash and cash equivalents (Note 3)	\$ 4,036,317	\$ 3,871,586
Pledges receivable, net (Note 4)	748,532	1,964,726
Notes receivable (Note 5)	93,241	191,875
Prepaid expenses and other assets	167,453	69,120
Property held for sale (Notes 6 and 7)	975,000	390,000
Investments (Note 6)	79,678,754	66,899,515
Beneficial interest in charitable remainder trust (Notes 6 and 8)	679,699	536,378
Assets held in trust under split-interest agreement (Notes 6 and 8)	555,926	500,804
Property and equipment, net (Note 7)	<u>1,008,956</u>	<u>1,032,737</u>
 Total assets	 <u>\$ 87,943,878</u>	 <u>\$ 75,456,741</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,971	\$ 13,261
Grants and scholarships payable	321,845	592,300
Liabilities under split-interest agreements (Note 8)	302,073	273,514
Agency obligations	<u>7,486,215</u>	<u>7,076,053</u>
 Total liabilities	 <u>8,128,104</u>	 <u>7,955,128</u>
 NET ASSETS		
Without donor restrictions (Notes 9 and 10)	78,133,690	64,581,344
With donor restrictions (Note 11)	<u>1,682,084</u>	<u>2,920,269</u>
 Total net assets	 <u>79,815,774</u>	 <u>67,501,613</u>
 Total liabilities and net assets	 <u>\$ 87,943,878</u>	 <u>\$ 75,456,741</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF ACTIVITIES
Year Ended June 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Contributions - financial	\$ 8,875,593	\$ 877,260	\$ 9,752,853
Contributions - nonfinancial (Note 13)	1,321,152	347,100	1,668,252
Less amounts received for agency accounts	(126,461)	-	(126,461)
Interest on notes receivable	526	-	526
Change in present value discount on pledges	<u>-</u>	<u>(22,187)</u>	<u>(22,187)</u>
Contributions	10,070,810	1,202,173	11,272,983
Investment income, net of expenses	9,306,178	71,308	9,377,486
Less investment income allocated to agency funds	<u>(717,117)</u>	<u>-</u>	<u>(717,117)</u>
Investment income, net (Note 6)	8,589,061	71,308	8,660,369
Administrative fees	54,588	-	54,588
Other income	47,814	-	47,814
Loss on sale of real estate and disposal of assets	(129,566)	-	(129,566)
Change in value of split interest agreements	-	114,762	114,762
Net assets released from restriction (Note 12)	<u>2,626,428</u>	<u>(2,626,428)</u>	<u>-</u>
Net other support	2,599,264	(2,511,666)	87,598
Total revenue, gains and other support	21,259,135	(1,238,185)	20,020,950
EXPENSES			
Program services			
Total grants and scholarships	7,135,263	-	7,135,263
Less grants made from agency funds	(378,828)	-	(378,828)
Other community support	<u>510,634</u>	<u>-</u>	<u>510,634</u>
Total program services	7,267,069	-	7,267,069
General and administrative	392,617	-	392,617
Less agency administrative fees	(54,588)	-	(54,588)
Fundraising	<u>101,691</u>	<u>-</u>	<u>101,691</u>
Total expenses	<u>7,706,789</u>	<u>-</u>	<u>7,706,789</u>
Change in net assets	<u>13,552,346</u>	<u>(1,238,185)</u>	<u>12,314,161</u>
NET ASSETS, beginning of year	<u>64,581,344</u>	<u>2,920,269</u>	<u>67,501,613</u>
NET ASSETS, end of year	<u><u>\$ 78,133,690</u></u>	<u><u>\$ 1,682,084</u></u>	<u><u>\$ 79,815,774</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF ACTIVITIES
Year Ended June 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Contributions - financial	\$ 8,540,088	\$ 1,840,875	\$ 10,380,963
Contributions - nonfinancial (Note 13)	766,805	237,900	1,004,705
Less amounts received for agency accounts	(55,956)	-	(55,956)
Interest on notes receivable	3,309	-	3,309
Change in present value discount on pledges	-	8,080	8,080
Contributions	9,254,246	2,086,855	11,341,101
Investment income, net of expenses	5,672,456	32,739	5,705,195
Less investment income allocated to agency funds	(533,770)	-	(533,770)
Investment income, net (Note 6)	5,138,686	32,739	5,171,425
Administrative fees	52,345	-	52,345
Other income	42,032	-	42,032
Change in value of split interest agreements	-	(16,494)	(16,494)
Net assets released from restriction (Note 12)	1,052,086	(1,052,086)	-
Net other support	1,146,463	(1,068,580)	77,883
Total revenue, gains and other support	15,539,395	1,051,014	16,590,409
EXPENSES			
Program services			
Total grants and scholarships	7,427,691	-	7,427,691
Less grants made from agency funds	(540,720)	-	(540,720)
Other community support	435,512	-	435,512
Total program services	7,322,483	-	7,322,483
General and administrative	369,493	-	369,493
Less agency administrative fees	(52,175)	-	(52,175)
Fundraising	128,315	-	128,315
Total expenses	7,768,116	-	7,768,116
Change in net assets	7,771,279	1,051,014	8,822,293
NET ASSETS, beginning of year	56,810,065	1,869,255	58,679,320
NET ASSETS, end of year	\$ 64,581,344	\$ 2,920,269	\$ 67,501,613

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program	General and Administrative	Fundraising	Total
Grants and scholarships	\$ 6,756,435	\$ -	\$ -	\$ 6,756,435
Agency fund expenditures	378,828	54,588	-	433,416
Salaries and wages	223,338	156,250	53,237	432,825
Community initiatives	150,482	-	12,497	162,979
Information technology	24,195	46,309	5,888	76,392
Employee benefits	33,966	23,763	8,097	65,826
Professional fees	21,528	30,550	-	52,078
Depreciation and amortization	21,686	15,172	5,169	42,027
Occupancy	21,074	15,702	1,665	38,441
Insurance	-	21,495	-	21,495
Advertising and promotion	-	1,672	15,044	16,716
Office	2,864	13,411	-	16,275
Other	10,178	3,187	-	13,365
Dues and membership	-	5,460	-	5,460
Bad debts	930	2,000	-	2,930
License and permits	-	2,783	-	2,783
Professional development	393	275	94	762
	<u>7,645,897</u>	<u>392,617</u>	<u>101,691</u>	<u>8,140,205</u>
Less agency fund activity	<u>(378,828)</u>	<u>(54,588)</u>	<u>-</u>	<u>(433,416)</u>
Total functional expenses	<u><u>\$ 7,267,069</u></u>	<u><u>\$ 338,029</u></u>	<u><u>\$ 101,691</u></u>	<u><u>\$ 7,706,789</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program	General and Administrative	Fundraising	Total
Grants and scholarships	\$ 6,886,971	\$ -	\$ -	\$ 6,886,971
Agency fund expenditures	540,720	52,175	-	592,895
Salaries and wages	225,667	175,374	80,227	481,268
Community initiatives	45,560	-	3,753	49,313
Information technology	19,959	17,201	7,099	44,259
Employee benefits	31,291	24,317	11,124	66,732
Professional fees	2,296	31,408	278	33,982
Depreciation and amortization	17,838	13,862	6,341	38,041
Occupancy	25,031	18,759	1,827	45,617
Insurance	-	18,054	-	18,054
Advertising and promotion	235	-	16,121	16,356
Office	2,106	10,136	-	12,242
Other	3,481	1,580	-	5,061
Dues and membership	3,053	2,372	1,085	6,510
Bad debts	57,701	-	-	57,701
License and permits	-	3,249	-	3,249
Professional development	1,294	1,006	460	2,760
	7,863,203	369,493	128,315	8,361,011
Less agency fund activity	<u>(540,720)</u>	<u>(52,175)</u>	<u>-</u>	<u>(592,895)</u>
Total functional expenses	<u><u>\$ 7,322,483</u></u>	<u><u>\$ 317,318</u></u>	<u><u>\$ 128,315</u></u>	<u><u>\$ 7,768,116</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF HARRISONBURG AND ROCKINGHAM
COUNTY AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

June 30, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	\$ 12,314,161	\$ 8,822,293
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	42,027	38,041
Net realized and unrealized gains on investments	(6,809,361)	(3,286,047)
Loss on sale or disposal of property and equipment	129,566	-
Change in beneficial interest in split interest agreements, net	(169,884)	(16,245)
Change in present value discount on long-term pledges	22,187	(6,579)
Change in present value discount on notes receivable	(3,672)	(7,500)
Noncash contributions received	(6,656,490)	(5,461,769)
Decrease (increase) in:		
Pledges receivable	1,194,007	(564,563)
Prepaid expenses and other assets	(98,541)	(51,413)
Increase (decrease) in:		
Accounts payable	4,710	(4,262)
Grants payable	(270,455)	(1,521,300)
Agency obligations	410,162	2,831
Net cash provided by (used in) operating activities	<u>108,417</u>	<u>(2,056,513)</u>
INVESTING ACTIVITIES		
Purchase of equipment	(27,909)	-
Proceeds from sale of property	718,165	-
Proceeds from notes receivable	102,306	33,831
Proceeds from sale of investments	28,314,320	26,134,317
Purchase of investments	(29,050,568)	(25,322,416)
Net cash provided by investing activities	<u>56,314</u>	<u>845,732</u>
Increase (decrease) in cash and cash equivalents	164,731	(1,210,781)
CASH AND CASH EQUIVALENTS		
Beginning	<u>3,871,586</u>	<u>5,082,367</u>
Ending	<u>\$ 4,036,317</u>	<u>\$ 3,871,586</u>
SUPPLEMENTAL DISCLOSURES		
Investment income allocated to agency funds	\$ 717,117	\$ 533,770
Non-cash pledge of securities	<u>\$ 98,385</u>	<u>\$ 828,210</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities:

The Community Foundation of Harrisonburg and Rockingham County and subsidiaries (the Foundation) is a non-stock corporation and non-private foundation classified by the Internal Revenue Service (IRS) as tax exempt under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The Foundation makes it easy to give back to the community we love. Funds are established or bequeathed by individuals and families within the community and disbursed to meet the needs of local charities and nonprofits. Funds may also come from other foundations, nonprofit organizations and corporations. Substantially all contributed funds are pooled and managed by the Foundation.

Basis of Accounting:

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, other assets, payables, and other liabilities. Revenues and support are recognized when earned or promised and expenses are recognized when incurred.

Principles of Consolidation:

The consolidated financial statements present the consolidated financial position and the changes in net assets and cash flows of The Community Foundation of Harrisonburg and Rockingham County and Subsidiaries: The Valley Responds, LLC, Showker Memorial Gardens, LLC, Eastham, LLC, TCF Holding, LC, TCF Holding II, LLC, TCF Holding III, LLC, and TCF Holding IV, LLC. All significant transactions and accounts among the Foundation have been eliminated. The Foundation consolidates subsidiaries in which it holds, directly or indirectly, more than 50 percent of the voting rights or where it exercises control. All subsidiaries of the Foundation are wholly owned by the Foundation.

Support and Revenue Recognition:

The Foundation reports contributions received in connection with its charitable component funds as contributions without donor restrictions, except for agency funds received, which are reported as a liability. The bylaws of the Foundation include a Variance Provision and Powers of Modification, giving the Board of Directors the power to vary the use of funds if a restriction expressed by a donor would result in use of funds contrary to the intent originally understood. Based on the Variance Provision, substantially all contributions received by the Foundation in connection with its charitable funds are reported as contributions without donor restrictions.

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Support and Revenue Recognition: (Continued)

Contributions and grants received in connection with a specific purpose of the Foundation itself, not subject to the variance provision above, are reported as contributions with donor restrictions until the requirements of the donor or grantee have been satisfied through expenditures for the specified purpose or program or through the passage of time.

Receivables and investments subject to split interest agreements are reported as contributions with donor restrictions until received or matured. As resources are realized for use by the Foundation, these contributions with donor restrictions are reclassified to contributions without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Promises to give are recognized as revenue when the unconditional pledge is received from a donor. Contributions of donated noncash assets are recorded at their fair values in the period received.

Cash and Cash Equivalents:

The Foundation considers cash in demand deposits, money market accounts and other highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Foundation maintains its demand deposits in federally insured accounts and employs an automated sweep feature to avoid exceeding insured limits. Money market accounts and pooled accounts may, at times, exceed federally insured limits. However, the Foundation does not believe it is subject to any significant credit risk as a result of these deposits.

Notes Receivable:

Notes receivable are carried at their estimated collectible amounts. The Foundation utilizes a loss rate approach in determining its lifetime expected credit losses on its notes receivable. This method is used for calculating an estimate of losses based primarily on the Foundation's historical loss experience. In determining its loss rates, the Foundation evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecast. Notes receivable are primarily from estate gifts where the Foundation is a beneficiary of the estate of donor. Notes receivable are presented at their net realized value as evaluated by management at year end. Interest on notes receivable is calculated using the simple interest method on principal amounts outstanding.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Net unrealized and realized gains or losses are reflected in the statements of activities.

(Continued)

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments (Continued):

Fixed income securities are valued using a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system.

Purchases and sales of securities are recorded on a trade date basis; dividends are recorded as of the ex-dividend date, and interest income is recorded on an accrual basis. Realized and unrealized gains and losses are reflected in the accompanying consolidated statements of activities. See Note 6 for additional information about the determination of fair value.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statements of financial position.

Property and Equipment:

Property and equipment are recorded at cost for purchased items and fair value for contributed items, net of related depreciation and amortization. Depreciation and amortization are computed by the straight-line method over the estimated useful lives ranging from 3 – 39 years. The Foundation capitalizes property and equipment with cost or donated fair value over \$5,000 and a useful life of more than one year. Depreciation and amortization expense totaled \$42,027 and \$38,041 for the years ended June 30, 2024 and 2023, respectively. Long-lived assets held and used by the Foundation are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable.

Agency Obligations:

The Foundation accepts assets from unaffiliated nonprofit organizations that name themselves or their affiliates as the beneficiaries of the funds created. The Foundation maintains legal ownership of agency funds, and as such, continues to report the funds as assets of the Foundation. However, in accordance with accounting principles generally accepted in the United States of America, a liability has been established for the fair value of the funds and no contribution revenue recognized for the period in which the agency funds are received.

Assets Held in Trust Under Split Interest Agreements:

The Foundation is trustee for one charitable remainder unitrust. Assets funding the trust are held in a separate investment account and monitored by the Foundation Investment Committee. They are carried at their fair values and identified separately in the consolidated statements of financial position.

(Continued)

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Beneficial Interest in Split Interest Agreements:

The Foundation is the beneficiary of two charitable remainder unitrusts for which it does not serve as trustee. The Foundation's beneficial interests in the trusts are recorded at fair value and identified separately in the consolidated statements of financial position.

Grants:

Grants are recorded as expenses when they are approved by the Board for payment.

Income Taxes:

The Foundation is exempt from federal income taxes under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code and has been determined to be an exempt charity which qualifies donations to the Foundation as charitable contributions for tax purposes. However, the Foundation may be subject to unrelated business tax on certain types of income.

The Foundation adopted the provisions of accounting for uncertainty in income tax positions as required by the *Income Taxes Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC); however, management does not believe it is exposed to any such positions as they are defined in this guidance. The Foundation files Form 990, *Return of Organization Exempt from Income Tax*, annually with the United States Department of the Treasury and Form 990T, *Exempt Organization Business Income Tax Return*, when required.

Functional Allocation of Expenses:

The costs of providing support to local charities and non-profits have been summarized on a functional basis in the consolidated statements of activities as program expenses. Personnel costs, depreciation, insurance, and certain information technology costs have been allocated among the programs and supporting services on the basis of the activity benefited.

Estimates and Assumptions:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, gains and other support and expenses. Actual results could differ from those estimates.

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Reclassifications:

Certain amounts in the prior period financial statements have been reclassified to conform with current period presentation. These reclassifications had no impact on ending net assets or change in net assets.

Adoption of New Standard

The Foundation adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* using the modified retrospective method for all financial assets measured at amortized cost in 2024. This standard was issued by FASB and replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL). CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable, supportable forecasts. CECL generally applies to financial assets measured at amortized cost, including notes receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using allowance for credit losses. The impact to the allowance for credit loss for the Foundation was insignificant from the adoption of ASU 2016-13.

Subsequent Events:

Subsequent events have been evaluated through October 29, 2024, which was the date the consolidated financial statements were available to be issued.

Note 2. Liquidity and Availability

The following table reflects the Foundation's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, when assets are held for others, when restricted by donors, or because the governing board has set aside the funds for a specific purpose.

As described in Note 9, the Foundation's endowments are subject to an annual spending rate. Under this spending rate, \$1,905,611 of appropriation from the endowments will be available within the next 12 months. In addition, as part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in high interest bearing bank accounts and money market funds.

**THE COMMUNITY FOUNDATION OF
HARRISONBURG & ROCKINGHAM COUNTY
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 2. Liquidity and Availability (Continued)

Withdrawal requests from funds held under agency accounts and grantmaking from donor advised funds are satisfied from invested resources specifically allocated to such accounts.

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, consist of the following:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 4,036,317	\$ 3,871,586
Pledges receivable	748,532	1,964,726
Notes receivable	93,241	191,875
Endowment spending policy appropriations	<u>1,905,611</u>	<u>1,650,000</u>
Total financial assets	<u>6,783,701</u>	<u>7,678,187</u>
Less those unavailable for general expenditure within one year:		
Pledges receivable expected to be collected beyond one year, net of discounts and allowances	(264,074)	(18,035)
Notes receivable expected to be collected beyond one year, net of discounts and allowances	<u>(88,241)</u>	<u>(161,738)</u>
Total unavailable assets	<u>(352,315)</u>	<u>(179,773)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,431,386</u>	<u>\$ 7,498,414</u>

Note 3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30:

	2024	2023
Checking and savings accounts	\$ 3,191,355	\$ 2,251,428
Money market funds	763,713	1,615,067
Deposits in transit	<u>81,249</u>	<u>5,091</u>
	<u>\$ 4,036,317</u>	<u>\$ 3,871,586</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 4. Pledges Receivable

Pledges receivable as of June 30 were expected to be collected in the following periods:

	2024	2023
One year or less	\$ 484,458	\$ 1,946,691
Between one and five years	<u>287,000</u>	<u>18,774</u>
	771,458	1,965,465
Less present value discount (at a rate of 4.1 - 5.6%)	<u>(22,926)</u>	<u>(739)</u>
	<u>\$ 748,532</u>	<u>\$ 1,964,726</u>

Note 5. Notes Receivable

On September 23, 2015, the Foundation was assigned, as part of its beneficiary interest in the estate of a donor, a promissory note with a principal balance on the date of assignment of \$289,703. The promissory note is further collateralized by a deed of trust on real estate located in Rockingham County, Virginia and bears interest at the rate of 3% per year. Payments of principal and interest in the amount of \$2,500 are due and payable on the sixth day of each month continuing through December 6, 2027. The promissory note was paid in full during the year ended June 30, 2024 and had a principal balance of \$97,306 as of June 30, 2023.

On December 14, 2017, TCFHR was assigned a promissory note from the Town of Timberville to the Plains District American Legion Post 278 with principal balance on the date of assignment of \$200,000. The promissory note was further collateralized by a deed of trust on real estate located in Rockingham County, Virginia and bears no interest. Annual payments of principal in the amount of \$5,000 are due and payable on the 1st day of December continuing through December 1, 2056. TCFHR valued the promissory note based on the net present value of anticipated cash flows, discounted at a rate of 4.1%. It was valued at \$93,241 and \$94,569 as of June 30, 2024 and 2023, respectively.

Expected notes receivable maturities are as follows for the years ending June 30:

2025	\$ 5,000
2026	5,000
2027	5,000
2028	5,000
2029	5,000
Thereafter	<u>140,000</u>
	165,000
Less present value discount (at a rate of 4.1%)	<u>(71,759)</u>
	<u>\$ 93,241</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 6. Fair Value Measurements and Disclosures

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three broad levels of the fair value hierarchy are described below:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities was consistent. The following is a description of the valuation methodologies used for instruments measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Cash and Cash Equivalents and Money Market funds: Cash held as part of investment accounts are classified as Level 1 in the fair value hierarchy.

Mutual Funds, Exchange Traded Funds and Equity Securities: Mutual funds, exchange traded funds, and equity securities for which a quoted market price is available on an active market are classified as Level 1 in the fair value hierarchy. Mutual funds, exchange traded funds, and equity securities are invested in a widely diversified portfolio.

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Note 6. Fair Value Measurements and Disclosures (Continued)

Fixed Income Securities: Corporate and municipal bonds, along with other fixed income securities are priced by a computerized service using comparable sale prices or, for less actively traded issues, by utilizing a yield-based matrix system. Valuation techniques and inputs for Level 2 securities are the yield-based matrix system.

Notes Receivable: Notes held by the Foundation are valued using the present value of future cash flows. In the fair value hierarchy, the notes are considered a Level 3 asset.

Charitable Remainder Trusts: Charitable Remainder Trusts for which the Foundation is a remainder beneficiary and which are held in trust by an independent trustee are valued at the present value of the anticipated remainder interest of the trust based on the fair market value of the underlying securities in the trust, the payout rate to the income beneficiary of the trust, and the actuarial tables and interest rates prescribed by Section 7520 of the Internal Revenue Service Code. The present value of the anticipated remainder interest in the trust is valued as a Level 3 asset in the fair value hierarchy. Investments held in Charitable Remainder Trusts for which the Foundation functions as trustee and remainder beneficiary are included according to their classification in the fair value hierarchy, generally as Level 1.

Real Estate: Real estate held by the Foundation for investment or for sale is valued at fair value on a nonrecurring basis. Fair value is determined by either a qualified appraisal or market rates based on similar properties and is considered a Level 3 asset.

The following tables summarize the inputs used to determine the fair values of financial assets measured on a recurring basis at June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 536,616	\$ -	\$ -	\$ 536,616
Money market funds	1,992,305	-	-	1,992,305
Equity securities	8,074,523	-	-	8,074,523
Fixed income securities	-	3,024,773	-	3,024,773
Fixed income mutual funds	6,590,638	-	-	6,590,638
Mutual and exchange traded funds	60,015,825	-	-	60,015,825
Notes receivable, net	-	-	93,241	93,241
Charitable remainder trusts	-	-	679,699	679,699
 Total assets	 \$ 77,209,906	 \$ 3,024,773	 \$ 772,940	 \$ 81,007,619

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Note 6. Fair Value Measurements and Disclosures (Continued)

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,218,347	\$ -	\$ -	\$ 1,218,347
Money market funds	1,962,328	-	-	1,962,328
Equity securities	5,280,519	-	-	5,280,519
Fixed income securities	5,469,735	47,548	-	5,517,283
Fixed income mutual funds	175,583	-	-	175,583
Mutual and exchange traded funds	53,246,259	-	-	53,246,259
Notes receivable, net	-	-	191,875	191,875
Charitable remainder trusts	-	-	536,378	536,378
 Total assets	 <u>\$ 67,352,771</u>	 <u>\$ 47,548</u>	 <u>\$ 728,253</u>	 <u>\$ 68,128,572</u>

The following tables summarize the inputs used to determine the fair values of financial assets measured on a nonrecurring basis at June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Real estate	\$ -	\$ -	\$ 975,000	\$ 975,000
 Total assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 975,000</u>	 <u>\$ 975,000</u>
	 2023			
	Level 1	Level 2	Level 3	Total
Real estate	\$ -	\$ -	\$ 390,000	\$ 390,000
 Total assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 390,000</u>	 <u>\$ 390,000</u>

Fair value measurement for financial assets measured at a nonrecurring basis includes fair value measurements that are not as of the end of the period. Dates of measurement vary throughout the fiscal year. Real estate is recorded at fair value based on either information provided by a qualified appraisal or market rates, depending on the value of the asset.

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	2024	2023
Balance, July 1	\$ 728,253	\$ 264,472
Note receivable payments	(102,306)	(33,831)
Change in value	146,993	7,655
Contributions	-	489,957
 Balance, June 30	 <u>\$ 772,940</u>	 <u>\$ 728,253</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 6. Fair Value Measurements and Disclosures (Continued)

Quantitative information regarding the fair value measurements for Level 3 assets on a recurring basis is summarized as follows:

	Fair Value at June 30, 2024	Fair Value at June 30, 2023	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)
Charitable Remainder Trusts	\$ 679,699	\$ 536,378	Present value of projected remainder interest	Contractual payments and life expectancy of income beneficiary	Based on contractual payment terms
				Present value discount rate	4.2-5.6%
Note Receivable	-	97,306	Discounted cash flow	Contractual payments	Based on contractual payment terms as disclosed in Note 5
Note Receivable	93,241	94,569	Discounted cash flow	Contractual payments	Based on contractual payment terms as disclosed in Note 5
				Present value discount rate	4.1%

The following schedule summarizes the investment gains and classification in the consolidated statements of activities at June 30:

	2024	2023
Dividends	\$ 1,792,143	\$ 1,969,907
Interest	312,485	239,156
Net realized and unrealized gain	7,495,655	3,664,038
Custodial fees	<u>(222,797)</u>	<u>(167,906)</u>
 Total investment income	 9,377,486	 5,705,195
 Less amounts allocated to agency accounts:		
Dividends, interest and custodial fees	(156,757)	(155,779)
Net investment gain	<u>(560,360)</u>	<u>(377,991)</u>
 Total investment income included in changes in net assets	 <u>\$ 8,660,369</u>	 <u>\$ 5,171,425</u>

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Note 7. Property and Equipment

Property and equipment consist of the following at June 30:

	2024	2023
Land	\$ 83,342	\$ 83,342
Land improvements	19,522	19,522
Buildings	1,007,101	989,901
Equipment	113,176	114,567
Phone system	5,424	5,424
Website	22,103	22,103
Software	16,000	16,000
	<hr/>	<hr/>
Less accumulated depreciation	1,266,668	1,250,859
	<hr/>	<hr/>
Total property & equipment	<hr/> \$ 1,008,956	<hr/> \$ 1,032,737

The Foundation also holds certain property available for sale. These assets totaled \$975,000 and \$390,000 as of June 30, 2024 and 2023, respectively, and are not depreciated or included in the Foundation's fixed assets.

Note 8. Split-Interest Agreements

The Foundation is named trustee on one split-interest agreement trust. This trust provides for payment of distributions to designated beneficiaries of the lesser of trust income or 5% of the fair market value of the assets as of the first day of each year over the beneficiaries' lives. At the end of the trust's term, the remaining assets are available for the Foundation's use. Assets held in the trust were \$555,926 and \$500,804 as of June 30, 2024 and 2023, respectively, and are reported at fair market value in investments. The present value of estimated future payments, calculated using a discount rate of 5.6% and 4.2% and applicable mortality table, was \$302,073 and \$273,514 as of June 30, 2024 and 2023, respectively.

The Foundation has been named the beneficiary of two split-interest agreement trusts for which it does not serve as trustee. The beneficial interests in the trusts were \$679,699 and \$536,378 as of June 30, 2024 and 2023, respectively.

Note 9. Endowments and Quasi-Endowments

Endowment is a commonly used term to refer to resources that have been restricted by the donor, are donor advised, or designated by the Board (quasi-endowment) that will be invested to provide future revenue to support the Foundation's activities.

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**THE COMMUNITY FOUNDATION OF
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Endowments and Quasi-Endowments (Continued)

The Foundation's endowment consists of approximately 85 individual funds established for a variety of purposes. In accordance with accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with Uniform Prudent Management of Institutional Funds Act as adopted by the Commonwealth of Virginia (UPMIFA-VA), the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the Foundation.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include board-designated funds. Under this policy, as approved by the Foundation's Investment Committee, the endowment assets are invested in a manner that is intended to ensure preservation of capital. Safety of principal is the primary objective. Investments are sufficiently liquid to enable the Foundation to meet all reasonable anticipated operating requirements, and return objectives are set based on a standard market rate of return, taking into account the cash flow characteristics of the investments.

Investment Objectives: The Foundation's long-term investment objective is to preserve the real value of its charitable funds while maintaining the desired grant expenditure payout rate to ensure availability of funds for grant purposes in the near or long term. The Foundation seeks long-term principal growth while preserving capital by means of minimizing the risk of substantial loss in asset value through investment in a diversified portfolio of quality investment securities. The primary investment goals are:

- Growth of the funds
- Preservation of principal
- Current distribution of 4%

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Endowments and Quasi-Endowments (Continued)

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation's current spending policy regarding endowment income is established by the Foundation's Investment Committee and revisited on an annual basis. The Investment Committee examines the endowment funds' earnings and establishes an earnings spending plan for the upcoming fiscal year based on anticipated investment earnings. Spending may be taken from current income or, if current income is less than planned spending, from prior periods' retained earnings. The target annual distribution rate, not including administrative fees is currently estimated at 4% of the twenty-quarter moving average market value of the endowment fund. Distributions for Foundation administrative fees range from 1% - 1.75% annually depending on fund type per the Foundation's fee policy. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

The endowment net assets consist of designated, donor-advised, field of interest, scholarship, and discretionary funds, which are primarily included in net assets without donor restriction. Changes during the fiscal years ended June 30 were as follows:

	2024	2023
Endowment net assets, beginning	\$ 38,689,972	\$ 34,117,711
Investment return:		
Interest and dividend income	1,168,695	1,205,890
Net appreciation in fair value of investments	<u>4,037,382</u>	<u>1,783,890</u>
Total investment return	5,206,077	2,989,780
Contributions	5,093,724	3,267,465
Reclassification pursuant to board and donor direction	36,348	108,052
Appropriation of endowment assets for expenditure	<u>(1,495,712)</u>	<u>(1,793,036)</u>
Endowment net assets, ending	<u>\$ 47,530,409</u>	<u>\$ 38,689,972</u>

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Note 10. Net Assets

Net assets without donor restriction include the following types of funds:

Undesignated funds are not designated for any specific use and are available for operating expenses.

Donor-advised funds are established by donors who wish to actively participate in the grant process. Donors make recommendations to the Foundation as to how monies should be spent. The Board decides to distribute these funds based on the donor recommendations received and considerations as to what best enhances and promotes philanthropy within the community.

Scholarship funds are established by donors who wish to establish scholarships for various purposes within the community. A committee of the Foundation's Board determines scholarship recipients each year.

Field of Interest and Designated funds are established to benefit particular interest areas or specific charitable organizations. These funds are subject to variance power and are appropriated by the Board annually.

Fundraising funds are established to raise funds for a particular charitable cause in the community. The Foundation performs all administrative tasks associated with the collecting and recording fundraising contributions. The Foundation's Board approves all expenditures.

	2024	2023
Undesignated	\$ 4,279,659	\$ 2,679,826
Donor-advised	28,732,829	25,790,315
Scholarship	7,533,887	6,142,028
Field of interest and designated	36,949,390	29,325,772
Fundraising	<u>637,925</u>	<u>643,403</u>
	<hr/> <u>\$ 78,133,690</u>	<hr/> <u>\$ 64,581,344</u>

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Note 11. Net Assets with Donor Restriction

Net assets with donor restriction at June 30 consisted of the following:

	2024	2023
Pledges, net of present value discount	\$ 748,532	\$ 1,964,726
Beneficial interest in charitable remainder trust	679,699	536,378
Charitable remainder trust investments held in trust	555,926	500,804
Note receivable, including accrued interest	-	191,875
	<hr/>	<hr/>
	1,984,157	3,193,783
Less liabilities under split-interest agreements held in trust	(302,073)	(273,514)
	<hr/>	<hr/>
	\$ 1,682,084	\$ 2,920,269

Note 12. Net Assets Released from Restriction

Net assets released from restriction consisted of the following for the years ended June 30:

	2024	2023
Passage of time	\$ 2,515,672	\$ 1,052,086
Purpose	110,756	-
	<hr/>	<hr/>
	\$ 2,626,428	\$ 1,052,086

Note 13. Nonfinancial Contributions

Nonfinancial contributions received by the Foundation consisted of the following for the years ended June 30:

	2024	2023
Real estate and personal property	\$ 1,200,251	\$ 5,900
Interest in LLC	409,605	728,000
Donated services	58,396	32,905
Interest in nonfinancial assets in estate pledge	-	237,900
	<hr/>	<hr/>
Total nonfinancial contributions	\$ 1,668,252	\$ 1,004,705

(Continued)

**THE COMMUNITY FOUNDATION OF
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 13. Nonfinancial Contributions (Continued)

Real estate and personal property

Real estate and personal property are recorded at fair value based on either information provided by a qualified appraisal, the donor, or market rates, depending on the value of the asset. During the year ended June 30, 2024, real estate and personal property were either held for sale or liquidated to benefit an endowment at the Foundation for designated charitable purposes. During the year ended June 30, 2023, personal property was held for use as a grant to further the mission of the donor and is included in grant expenses.

Interest in LLC

The interest in LLC was recorded at fair value based on a qualified appraisal. The interest was sold during the year ending June 30, 2024. The proceeds were used for specific endowments and donor advised funds.

Donated services

Certain donors provide services for the Foundation. The value of these services are based on either fair market values if they had been otherwise purchased or information provided by the donor regarding market value. The donated cost of these services are included in expense accounts on the statement of functional expenses.

Interest in nonfinancial assets in estate pledge

The Foundation is the beneficiary of several estate gifts consisting of nonfinancial assets. The value of the interest in the estate gifts are based on either the fair value of the property or estimates provided by the estate's executor or trustee. The interest in nonfinancial assets listed as of June 30, 2023 was received during June 30, 2024 and the proceeds were used as designated by the fund agreement with the donor.

Note 14. Related Party Relationships

From time to time, the Foundation enters into transactions with related parties in the ordinary course of business. All such transactions are subject to governance oversight in accordance with the Foundation's conflict of interest policies.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 15. Significant Transactions and Foundation Initiatives

Significant Transactions:

The Foundation received a large estate gift in 2022. Approximately \$1,993,000 of this estate was disbursed to a local nonprofit during the year ended June 30, 2023. During the year ended June 30, 2024, the Foundation facilitated the receipt and disbursement of an additional gift of approximately \$898,000 from this estate to five local nonprofit beneficiaries.

The Foundation was the beneficiary of a trust which was part of an estate that was involved in a dispute. The Foundation recorded a receivable for \$1,443,000 as of June 30, 2023. The Foundation received the remainder interest of approximately \$2,287,000 during the year ended June 30, 2024 after the dispute was resolved.

A private foundation was liquidated and its assets of \$928,320 were donated to a fund at the Foundation during the year ended June 30, 2024. Another nonprofit organization transferred a designated endowment to the Foundation totaling \$1,461,915 during the year ended June 30, 2024.

Foundation Initiatives:

The Foundation operates a variety of programs to benefit local residents and nonprofit organizations to support its mission of making it easy to give back to the community. Two notable initiatives during the year ended June 30, 2024 were the Dolly Parton's Imagination Library and the Great Community Give.

The Foundation is the local partner for the Dolly Parton's Imagination Library in Harrisonburg and Rockingham County Library which aids in literacy development by providing free monthly books to local children under the age of five. As of June 30, 2024, approximately 41% of eligible local children were receiving books at no cost through the Foundation's program. Direct expenses to provide these books totaled \$69,957 and \$42,002 for the years ended June 30, 2024 and 2023, respectively.

The Great Community Give is an annual online giving day hosted by the Foundation for local nonprofit organizations on the third Wednesday of April. During the year ended June 30, 2024, the program helped raise \$2,116,040 for 157 nonprofits. As funds are directly distributed to and received by the nonprofit organizations through the payment processing platform that the Foundation provides, the value of gifts raised through the Great Community Give are not reflected on the Foundation's financial statements. The Foundation also provides training and guidance to participating nonprofits at no cost in advance of the giving day to support them in their fundraising efforts. The direct expense to the Foundation to host the Great Community Give was \$139,493 and \$128,763 during the years ended June 30, 2024 and 2023, respectively. These expenses include \$77,700 and \$85,500 in prize grants that were awarded to organizations meeting specific criteria for the years ended June 30, 2024 and 2023, respectively.