

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND
CHCF HOLDINGS, LLC
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Crawford Heritage Community Foundation and CHCF Holdings, LLC
Meadville, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Crawford Heritage Community Foundation (a nonprofit organization) and CHCF Holdings, LLC (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Crawford Heritage Community Foundation and CHCF Holdings, LLC as of December 31, 2023 and 2022, and the changes in financial position 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. 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 Crawford Heritage Community Foundation and CHCF Holdings, LLC 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crawford Heritage Community Foundation and CHCF Holdings, LLC's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 opinions. 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 consolidated 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 consolidated 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 Crawford Heritage Community Foundation and CHCF Holdings, LLC'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crawford Heritage Community Foundation and CHCF Holdings, LLC'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.

Report on Supplementary Consolidated Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 25 - 28 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Meadville, Pennsylvania

November 12, 2024

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

| | <i>2023</i> | <i>2022</i> |
|--|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 837,803 | \$ 589,506 |
| Cash and cash equivalents - CHCF Holdings | 165,368 | - |
| Cash and cash equivalents - Organizational Endowments | 177,538 | 134,455 |
| Cash and cash equivalents - Endowments | 829,314 | 1,630,734 |
| Restricted cash and cash equivalents - Trusts | 6,451 | 16,604 |
| Investments | 1,705,390 | 1,566,995 |
| Investments - Organizational Endowments | 2,908,186 | 2,355,077 |
| Investments - Endowments | 27,949,795 | 22,156,880 |
| Restricted investments - Trusts | 236,072 | 203,152 |
| TOTAL CURRENT ASSETS | 34,815,917 | 28,653,403 |
| PROPERTY AND EQUIPMENT, at cost | | |
| Land and land improvements | 5,735 | - |
| Buildings and building improvements | 208,450 | - |
| | 214,185 | - |
| TOTAL ASSETS | \$ 35,030,102 | \$ 28,653,403 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accrued payroll taxes | \$ 13,451 | \$ 13,450 |
| Organizational endowment fund liability (Note C) | 3,085,724 | 2,489,532 |
| Charitable remainder trusts liability (Note D) | 100,273 | 100,624 |
| TOTAL LIABILITIES | 3,199,448 | 2,603,606 |
| NET ASSETS | | |
| Without donor restrictions | 31,688,404 | 25,930,665 |
| With donor restrictions | 142,250 | 119,132 |
| TOTAL NET ASSETS | 31,830,654 | 26,049,797 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 35,030,102 | \$ 28,653,403 |

See notes to the financial statements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

| | <i>Without</i> <i>Donor Restrictions</i> | <i>With</i> <i>Donor Restrictions</i> | <i>Total</i> |
|---|---|--|----------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$ 3,076,504 | \$ - | \$ 3,076,504 |
| Non-cash contributions | 67,089 | - | 67,089 |
| Net loss from charitable remainder trusts | - | (11,282) | (11,282) |
| Investment income (loss), net of fees | 4,031,639 | 33,819 | 4,065,458 |
| Other income | 1,643 | - | 1,643 |
| Net assets released from restrictions | (581) | 581 | - |
| TOTAL REVENUE AND SUPPORT | 7,176,294 | 23,118 | 7,199,412 |
| EXPENSES | | | |
| Program - grants, gifts, and scholarships | 1,205,921 | - | 1,205,921 |
| Administration and general | 145,184 | - | 145,184 |
| Fundraising | 67,450 | - | 67,450 |
| TOTAL EXPENSES | 1,418,555 | - | 1,418,555 |
| CHANGE IN NET ASSETS | 5,757,739 | 23,118 | 5,780,857 |
| NET ASSETS, BEGINNING | 25,930,665 | 119,132 | 26,049,797 |
| NET ASSETS, ENDING | \$ 31,688,404 | \$ 142,250 | \$ 31,830,654 |

See notes to the financial statements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

| | <i>Without</i> <i>Donor Restrictions</i> | <i>With</i> <i>Donor Restrictions</i> | <i>Total</i> |
|---|---|--|----------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$ 438,128 | \$ - | \$ 438,128 |
| Non-cash contributions | 1,062,115 | - | 1,062,115 |
| Net loss from charitable remainder trusts | - | 75,132 | 75,132 |
| Investment income (loss), net of fees | (5,314,363) | (49,397) | (5,363,760) |
| Other income | 10,354 | - | 10,354 |
| Net assets released from restrictions | 6,241 | (6,241) | - |
| TOTAL REVENUE AND SUPPORT | (3,797,525) | 19,494 | (3,778,031) |
| EXPENSES | | | |
| Program - grants, gifts, and scholarships | 952,653 | - | 952,653 |
| Administration and general | 126,604 | - | 126,604 |
| Fundraising | 48,800 | - | 48,800 |
| TOTAL EXPENSES | 1,128,057 | - | 1,128,057 |
| CHANGE IN NET ASSETS | (4,925,582) | 19,494 | (4,906,088) |
| NET ASSETS, BEGINNING | 30,856,247 | 99,638 | 30,955,885 |
| NET ASSETS, ENDING | \$ 25,930,665 | \$ 119,132 | \$ 26,049,797 |

See notes to the financial statements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

| | <i><u>Program Services</u></i> | <i><u>Administration and General</u></i> | <i><u>Fundraising</u></i> | <i><u>Total</u></i> |
|-------------------------|------------------------------------|--|---------------------------|----------------------------|
| Payroll | \$ 60,694 | \$ 59,123 | \$ 44,498 | \$ 164,315 |
| Payroll taxes | 4,643 | 4,580 | 3,404 | 12,627 |
| Benefits | 281 | 375 | 94 | 750 |
| Occupancy | - | 3,768 | - | 3,768 |
| General office expenses | - | 28,105 | - | 28,105 |
| Insurance | - | 3,240 | - | 3,240 |
| Grants and donations | 902,760 | - | - | 902,760 |
| Scholarships | 237,543 | - | - | 237,543 |
| Professional fees | - | 10,800 | - | 10,800 |
| Repairs and maintenance | - | 10,370 | - | 10,370 |
| Travel | - | 1,398 | - | 1,398 |
| Dues | - | 7,185 | - | 7,185 |
| Advertising | - | - | 19,454 | 19,454 |
| Miscellaneous | - | 16,240 | - | 16,240 |
| TOTAL EXPENSES | <u>\$ 1,205,921</u> | <u>\$ 145,184</u> | <u>\$ 67,450</u> | <u>\$ 1,418,555</u> |

See notes to the financial statements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

| | <i><u>Program Services</u></i> | <i><u>Administration and General</u></i> | <i><u>Fundraising</u></i> | <i><u>Total</u></i> |
|-------------------------|------------------------------------|--|---------------------------|----------------------------|
| Payroll | \$ 37,209 | \$ 55,372 | \$ 24,602 | \$ 117,183 |
| Payroll taxes | 2,846 | 4,247 | 1,882 | 8,975 |
| Benefits | 1,125 | 1,500 | 375 | 3,000 |
| Occupancy | - | 2,026 | - | 2,026 |
| General office expenses | - | 30,830 | - | 30,830 |
| Insurance | - | 3,114 | - | 3,114 |
| Grants and donations | 673,443 | - | - | 673,443 |
| Scholarships | 238,030 | - | - | 238,030 |
| Professional fees | - | 10,050 | - | 10,050 |
| Travel | - | 674 | - | 674 |
| Dues | - | 5,288 | - | 5,288 |
| Advertising | - | - | 21,941 | 21,941 |
| Miscellaneous | - | 13,503 | - | 13,503 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENSES | <u>\$ 952,653</u> | <u>\$ 126,604</u> | <u>\$ 48,800</u> | <u>\$ 1,128,057</u> |

See notes to the financial statements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 5,780,857 | \$ (4,906,088) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Unrealized (gain) loss on value of investments | (3,622,644) | 6,008,816 |
| Realized (gain) loss on sale of investments | 324,855 | 63,712 |
| Non-cash contribution of securities | (67,089) | (1,062,115) |
| (Decrease) increase in accrued payroll taxes | 1 | - |
| (Decrease) increase in organizational endowment fund liability | 596,192 | (493,614) |
| (Decrease) increase in charitable remainder trusts liability | (351) | (84,057) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>3,011,821</u> | <u>(473,346)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property | (214,185) | - |
| Proceeds from sales of investments | 12,025,443 | 12,351,174 |
| Purchases of investments | (15,177,904) | (12,152,324) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(3,366,646)</u> | <u>198,850</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (354,825) | (274,496) |
| CASH AND CASH EQUIVALENTS, BEGINNING | <u>2,371,299</u> | <u>2,645,795</u> |
| CASH AND CASH EQUIVALENTS, ENDING | <u><u>\$ 2,016,474</u></u> | <u><u>\$ 2,371,299</u></u> |
| SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash and cash equivalents | \$ 837,803 | \$ 589,506 |
| Cash and cash equivalents - CHCF Holdings | 165,368 | - |
| Cash and cash equivalents - Organizational Endowments | 177,538 | 134,455 |
| Cash and cash equivalents - Endowments | 829,314 | 1,630,734 |
| Restricted cash and cash equivalents - Trusts | 6,451 | 16,604 |
| TOTAL CASH AND CASH EQUIVALENTS, ENDING | <u><u>\$ 2,016,474</u></u> | <u><u>\$ 2,371,299</u></u> |
| SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Donated securities | <u><u>\$ 67,089</u></u> | <u><u>\$ 1,062,115</u></u> |

See notes to the financial statements.

CRAWFORD HERITAGE COMMUNITY FOUNDATION AND CHCF HOLDINGS, LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The Crawford Heritage Community Foundation and CHCF Holdings, LLC ("the Organization") were established in 1998 and 2023, respectively. The Crawford Heritage Community Foundation is a community foundation to provide a framework for charitable giving to local worthy causes in Crawford County, Pennsylvania. CHCF Holdings, LLC was developed as an entity to own and maintain property and equipment.

Principals of Consolidated Financial Statements

The consolidated financial statements include the accounts of Crawford Heritage Community Foundation and CHCF Holdings, LLC. All material related accounts and transactions have been eliminated.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting and, accordingly, reflects all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB"). Revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets over which the board has full discretion in making distributions for charitable purposes to meet community needs. Net assets without donor restrictions may also include certain amounts available for grants, contingencies, and other purposes. Substantially all contributions are subject to unilateral variance power established by the Organization's governing documents and contained in all fund agreements. The variance power gives the Organization's board of directors the ability to modify intent for use of funds that are incapable of fulfillment. Therefore, most of the Organization's net assets are classified as net assets without donor restrictions. These net assets include:

Unrestricted Operating Funds - These funds provide support for the operation of the Organization and offer donors the maximum opportunity to respond to changing community needs.

Area of Interest Funds - Donors identify broad areas of interest toward which the Organization's Grant Committee directs funding.

Donor Advised Funds - Donors have advisory privileges in the distributions or investment of amounts held in the donor advised funds.

Donor Designated Funds - Donors identify specific organizations or programs which are to consistently receive grants from their funds.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Scholarship Funds - Donors or businesses create a scholarship fund and may dictate criteria for the recipients such as underprivileged students, field of study, or academic merit.

Organizational Endowment Funds - Endowment funds established upon the transfer of assets from other non profit organizations that designate themselves as beneficiaries.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include all monies in banks and highly liquid investments with a maturity of three months or less. A majority of cash and cash equivalents are held in investment accounts which are not FDIC insured. All of CHCF Holdings, LLC cash and cash equivalents are FDIC insured at December 31, 2023.

Restricted Cash and Cash Equivalents and Restricted Investments

Restricted cash and cash equivalents and restricted investments consists of money market funds associated with the different investment accounts held by the Organization that have been restricted by the donors. These funds are not FDIC insured.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions.

When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with restrictions satisfied prior to the end of the reporting period are reported as support without donor restrictions.

Donated securities are recorded at fair market value as of the date of donation. Contributions received from a not-for-profit organization for the purpose of establishing an endowment for the benefit of that organization are not considered contributions for financial statement purposes. Such amounts are reflected in the financial statements as an organizational endowment fund liability.

Donated Goods and Services

The Organization records the value of donated goods when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. However, no amounts have been reflected in the statements for donated services as they do not meet the criteria as determined by the revenue recognition - contributed services topic of the FASB Accounting Standards Codification ("ASC"). Nonetheless, a substantial number of volunteers donate significant amounts of their time in the Organization's program services.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which ranges from 5-40 years.

The cost of assets sold, retired or otherwise disposed of are eliminated from the accounts, and any resulting gain or loss is included in operations.

Expenditures for repairs and maintenance are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

Impairment of Capital Assets

The Authority reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the fair value is less than the carrying amount of an asset, an impairment loss is recognized for the difference. No impairment losses were recognized in the years ended December 31, 2023 and 2022.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and has no provision for federal or state income taxes. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purpose.

Interest and penalties related to income tax reporting are recognized when incurred and are included on the statements of activities in administration and general expenditures. Management has determined the Organization had no activities subject to unrelated business income tax (UBIT) during the years ended December 31, 2023 and 2022. The Organization has not been subject to any income tax penalties or interest for all open tax years.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The majority of the Organization's investments are held at one financial institution.

Functional Allocation of Expenses

The Organization's costs have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CRAWFORD HERITAGE COMMUNITY FOUNDATION AND CHCF HOLDINGS, LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Cash and cash equivalents approximate fair value due to the short-term maturities of those instruments.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant changes in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new / enhanced disclosures only.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 12, 2024, the date the financial statements were available to be issued.

NOTE B - INVESTMENTS

Investments are stated at fair market value with the resulting realized and unrealized gains and losses included in the statements of activities. As of December 31, 2023 and 2022, the Organization's investments consisted primarily of mutual funds, money market funds and common stock. Market value is determined by the quoted market price at the date of the statements of financial position.

Investment Policies

The investment objective of the funds is to maximize total return by investing in diversified portfolios of stock and bond investments. As the primary goal of these funds is to be used at the discretion of the Organization, or that of the donor in some cases, to provide perpetual funding for Crawford County's charitable, religious, scientific, literary and educational needs, the Organization realizes that principal growth is a primary goal. However, given donor trust and generosity, prudent standards are to be followed to minimize long-term risks and fluctuations in principal, and to produce a reasonable and prudent return of income.

Spending Policies

The granting objective of the Organization is to maximize the amount of annual distributions without jeopardizing long-term potential distributions. As the investment goal is to maximize total return, it is understood that some of the principal growth in addition to the income may be used annually for distribution requirements.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

Cash and cash equivalents and investments as of December 31, 2023 and 2022 are summarized as follows:

| | <i>2023</i> | | |
|---------------------------------|----------------------|----------------------|------------------------|
| | <i>Cost</i> | <i>Market Value</i> | <i>Carrying Amount</i> |
| Without Donor Restrictions: | | | |
| Operating Funds | | | |
| PNC Advisors | \$ 1,683,590 | \$ 1,787,410 | \$ 1,787,410 |
| Marquette Checking Account | 74,117 | 74,117 | 74,117 |
| Marquette Savings Account | 91,251 | 91,251 | 91,251 |
| Payroll Checking Account | 3,835 | 3,835 | 3,835 |
| Donor Advised Funds | | | |
| PNC Advisors | 7,409,424 | 7,912,536 | 7,912,536 |
| RBC Advisors | 2,033,134 | 2,081,216 | 2,081,216 |
| Donor Designated Funds | | | |
| PNC Advisors | 7,766,855 | 8,618,368 | 8,618,368 |
| Northwest Investments | 1,230,656 | 1,318,318 | 1,318,318 |
| FNB Wealth Management | 1,188,977 | 1,299,542 | 1,299,542 |
| Area of Interest Funds | | | |
| PNC Advisors | 804,023 | 882,577 | 882,577 |
| Organizational Endowment Funds | | | |
| PNC Advisors | 1,537,446 | 1,605,258 | 1,605,258 |
| Northwest Investments | 1,050,329 | 1,480,466 | 1,480,466 |
| Scholarship Funds | | | |
| PNC Advisors | 6,225,131 | 6,666,552 | 6,666,552 |
| Non-Endowed Donor Advised Funds | | | |
| Erie Bank | 751,948 | 751,948 | 751,948 |
| With Donor Restrictions: | | | |
| Charitable Remainder Trusts | | | |
| PNC Advisors | 207,255 | 242,523 | 242,523 |
| | <u>\$ 32,057,971</u> | <u>\$ 34,815,917</u> | <u>\$ 34,815,917</u> |

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

| | | <i>2022</i> | |
|---------------------------------|----------------------|----------------------|------------------------|
| | <i>Cost</i> | <i>Market Value</i> | <i>Carrying Amount</i> |
| Without Donor Restrictions: | | | |
| Operating Funds | | | |
| PNC Advisors | \$ 1,858,178 | \$ 1,754,813 | \$ 1,754,813 |
| Payroll Checking Account | 118,672 | 118,672 | 118,672 |
| Donor Advised Funds | | | |
| PNC Advisors | 7,473,807 | 6,941,884 | 6,941,884 |
| Donor Designated Funds | | | |
| PNC Advisors | 7,854,003 | 7,667,661 | 7,667,661 |
| Northwest Investments | 1,459,583 | 1,230,656 | 1,230,656 |
| FNB Wealth Management | 1,256,539 | 1,194,059 | 1,194,059 |
| Area of Interest Funds | | | |
| PNC Advisors | 797,126 | 778,321 | 778,321 |
| Organizational Endowment Funds | | | |
| PNC Advisors | 1,535,967 | 1,440,216 | 1,440,216 |
| Northwest Investments | 1,077,359 | 1,049,316 | 1,049,316 |
| Scholarship Funds | | | |
| PNC Advisors | 6,414,908 | 5,975,033 | 5,975,033 |
| Non-Endowed Donor Advised Funds | | | |
| Erie Bank | 283,016 | 283,016 | 283,016 |
| With Donor Restrictions: | | | |
| Charitable Remainder Trusts | | | |
| PNC Advisors | 207,602 | 219,756 | 219,756 |
| | <u>\$ 30,336,760</u> | <u>\$ 28,653,403</u> | <u>\$ 28,653,403</u> |

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

The following schedules summarize the investment income and its classification in the statements of activities for the years ended December 31, 2023 and 2022:

| | <i>2023</i> | | |
|--|---|--|---------------------|
| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> |
| Dividends and interest | \$ 734,721 | \$ 5,974 | \$ 740,695 |
| Capital gain distributions | 178,403 | 2,192 | 180,595 |
| Realized gain (loss) on sale of investments | (328,722) | 3,867 | (324,855) |
| Investment fees | (152,295) | (1,326) | (153,621) |
| Unrealized gain (loss) on value of investments | 3,599,532 | 23,112 | 3,622,644 |
| Total investment income (loss) | <u>\$ 4,031,639</u> | <u>\$ 33,819</u> | <u>\$ 4,065,458</u> |

| | <i>2022</i> | | |
|--|---|--|-----------------------|
| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> |
| Dividends and interest | \$ 559,575 | \$ 4,401 | \$ 563,976 |
| Capital gain distributions | 276,688 | 3,876 | 280,564 |
| Realized gain (loss) on sale of investments | (75,297) | 11,585 | (63,712) |
| Investment fees | (134,677) | (1,095) | (135,772) |
| Unrealized gain (loss) on value of investments | (5,940,652) | (68,164) | (6,008,816) |
| Total investment income (loss) | <u>\$ (5,314,363)</u> | <u>\$ (49,397)</u> | <u>\$ (5,363,760)</u> |

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

The following schedules summarize the Organization's investments, at fair market value, by fund and type as of December 31, 2023 and 2022:

| | <i>2023</i> | | | | |
|-----------------------------------|------------------------------------|------------------------------|-------------------------------|-------------------------------|----------------------|
| | <i>Alternative Investments</i> | <i>Equity Securities</i> | <i>Fixed Income Bonds</i> | <i>Money Market Funds</i> | <i>Total</i> |
| Without Donor Restrictions: | | | | | |
| Operating Funds | | | | | |
| PNC Advisors | \$ 89,646 | \$ 1,178,259 | \$ 437,485 | \$ 82,020 | \$ 1,787,410 |
| Donor Advised Funds | | | | | |
| PNC Advisors | 372,077 | 5,481,922 | 1,729,039 | 329,498 | 7,912,536 |
| RBC Advisors | 54,896 | 1,275,535 | 709,456 | 41,329 | 2,081,216 |
| Donor Designated Funds | | | | | |
| PNC Advisors | 429,265 | 5,931,926 | 2,036,494 | 220,683 | 8,618,368 |
| Northwest Investments | 70,971 | 869,699 | 379,712 | (2,064) | 1,318,318 |
| FNB Wealth Management | - | 831,217 | 455,698 | 12,627 | 1,299,542 |
| Area of Interest Funds | | | | | |
| PNC Advisors | - | 596,790 | 238,058 | 47,729 | 882,577 |
| Organizational Endowment Funds | | | | | |
| PNC Advisors | 76,554 | 1,085,354 | 377,697 | 65,653 | 1,605,258 |
| Northwest Investments | 69,414 | 927,836 | 371,331 | 111,885 | 1,480,466 |
| Scholarship Funds | | | | | |
| PNC Advisors | 282,193 | 4,603,523 | 1,601,324 | 179,512 | 6,666,552 |
| With Donor Restrictions: | | | | | |
| Charitable Remainder Trusts | | | | | |
| PNC Advisors | - | 167,851 | 68,221 | 6,451 | 242,523 |
| | <u>\$ 1,445,016</u> | <u>\$ 22,949,912</u> | <u>\$ 8,404,515</u> | <u>\$ 1,095,323</u> | <u>\$ 33,894,766</u> |

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

| | <i>2022</i> | | | | |
|-----------------------------------|------------------------------------|------------------------------|-------------------------------|-------------------------------|----------------------|
| | <i>Alternative Investments</i> | <i>Equity Securities</i> | <i>Fixed Income Bonds</i> | <i>Money Market Funds</i> | <i>Total</i> |
| Without Donor Restrictions: | | | | | |
| Operating Funds | | | | | |
| PNC Advisors | \$ 120,238 | \$ 1,122,621 | \$ 324,137 | \$ 187,817 | \$ 1,754,813 |
| Donor Advised Funds | | | | | |
| PNC Advisors | 511,743 | 4,565,122 | 1,340,565 | 524,454 | 6,941,884 |
| Donor Designated Funds | | | | | |
| PNC Advisors | 570,388 | 4,992,074 | 1,544,926 | 560,273 | 7,667,661 |
| Northwest Investments | 68,336 | 788,548 | 370,691 | 3,081 | 1,230,656 |
| FNB Wealth Management | - | 834,425 | 355,138 | 4,496 | 1,194,059 |
| Area of Interest Funds | | | | | |
| PNC Advisors | - | 530,497 | 182,508 | 65,316 | 778,321 |
| Organizational Endowment Funds | | | | | |
| PNC Advisors | 102,885 | 931,363 | 289,507 | 116,461 | 1,440,216 |
| Northwest Investments | 57,361 | 662,691 | 311,270 | 17,994 | 1,049,316 |
| Scholarship Funds | | | | | |
| PNC Advisors | 442,619 | 3,860,004 | 1,199,296 | 473,114 | 5,975,033 |
| With Donor Restrictions: | | | | | |
| Charitable Remainder Trusts | | | | | |
| PNC Advisors | - | 157,948 | 45,204 | 16,604 | 219,756 |
| | <u>\$ 1,873,570</u> | <u>\$ 18,445,293</u> | <u>\$ 5,963,242</u> | <u>\$ 1,969,610</u> | <u>\$ 28,251,715</u> |

Endowments

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, considering the laws of the state for endowment management. In Pennsylvania, those laws are found in 15 Pa C.S. 5548.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

Interpretation of Relevant Law

ASC 958-205 provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The ASC 958-205 also improves disclosure about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the Organization is subject to UPMIFA.

The Commonwealth of Pennsylvania has not adopted UPMIFA. The Commonwealth of Pennsylvania has enacted Act 141 (the "Act"). The Act allows the Organization to elect a "total return investment policy." Income is defined by the Act to mean a fixed percentage of the "value of the assets" held by the Organization, not less than 2% or more than 7%. The "value of the assets" for the purposes of the Act, is the average fair market value of the assets over a three year period (or the average value of the assets over any shorter period in the cases of assets held less than three years). The Organization has a total return investment policy with a spending policy of 4.00% of the three-year average of the funds at December 31, 2023 and 2022. This spending policy determines the funds available for grant making and administrative expenses.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets over the long-term and achieve investment returns sufficient to sustain the level of spending necessary to support ongoing operations. Under this policy, as approved by the Board of Trustees, the Organization 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). Endowment assets are invested in a diverse mix of asset classes which produces the highest expected investment return within a prudent risk framework. The Organization expects its endowment funds, over time, to provide an average real rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (CONTINUED)

The following schedules summarize the Organization's changes in endowment net assets as of December 31, 2023 and 2022:

| | <i>2023</i> | | |
|--|---|--|----------------------|
| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> |
| Endowment net assets, 1/1/23 | \$ 23,787,614 | \$ - | \$ 23,787,614 |
| Investment Return | | | |
| Dividends and interest | 687,698 | - | 687,698 |
| Capital gain distributions | 167,903 | - | 167,903 |
| Realized gain (loss) on sale of investments | (315,572) | - | (315,572) |
| Unrealized gain (loss) on value of investments | 3,392,347 | - | 3,392,347 |
| | <u>3,932,376</u> | <u>-</u> | <u>3,932,376</u> |
| Contributions | 2,826,715 | - | 2,826,715 |
| Distributions | (1,767,596) | - | (1,767,596) |
| Endowment net assets, 12/31/23 | <u>\$ 28,779,109</u> | <u>\$ -</u> | <u>\$ 28,779,109</u> |
| <i>2022</i> | | | |
| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> |
| | <i>Restrictions</i> | <i>Restrictions</i> | |
| Endowment net assets, 1/1/22 | \$ 28,479,204 | \$ - | \$ 28,479,204 |
| Investment Return | | | |
| Investment income | 606,614 | - | 606,614 |
| Realized gain (loss) on sale of investments | (62,296) | - | (62,296) |
| Unrealized gain (loss) on value of investments | (5,559,836) | - | (5,559,836) |
| | <u>(5,015,518)</u> | <u>-</u> | <u>(5,015,518)</u> |
| Contributions | 1,274,935 | - | 1,274,935 |
| Distributions | (951,007) | - | (951,007) |
| Endowment net assets, 12/31/22 | <u>\$ 23,787,614</u> | <u>\$ -</u> | <u>\$ 23,787,614</u> |

CRAWFORD HERITAGE COMMUNITY FOUNDATION AND CHCF HOLDINGS, LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - ORGANIZATIONAL ENDOWMENT FUNDS

The Organization enters into agreements with nonprofit agencies whereby the nonprofit agencies set up endowment funds with the Organization. Under the terms of the agreements, the Organization agrees to make distributions back to the nonprofit agencies. The assets held in these funds totaled \$3,085,724 and \$2,489,532 at December 31, 2023 and 2022, respectively, and are reported at fair market value in the statements of financial position as assets and a corresponding liability.

NOTE D - CHARITABLE REMAINDER TRUSTS

The Organization administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the term of the trust (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Organization's use, or are distributed to other organizations. The portion of the trust attributable to the Organization is recorded in the statements of activities as a contribution in the period the trust is established at the present value of the future benefit to be received. Assets held in the charitable remainder trusts totaled \$242,523 and \$219,756 at December 31, 2023 and 2022, respectively, and are reported at fair market value in the statements of financial position. The present value of the estimated future payments, \$100,273 and \$100,624 at December 31, 2023 and 2022, respectively, was calculated using a discount rate of 5.8% and 5.2% in 2023 and 2022, respectively, and applicable mortality tables.

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Investments, investments - trusts, investments - organizational endowments, and investments - endowments: The fair value of these investments are based on quoted market prices for those or similar investments.

Charitable remainder trusts liability: The fair value is based on discount rates and applicable mortality tables.

The fair value measurements and disclosures topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy for the financial assets measured at fair value on a recurring basis:

| | <i>Fair Value Measurements at December 31, 2023:</i> | | | |
|---|--|----------------------|----------------|-------------------|
| | <i>Fair Value</i> | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> |
| Investments | \$ 1,787,410 | \$ 1,787,410 | \$ - | \$ - |
| Investments - Trusts | 242,523 | 242,523 | - | - |
| Investments - Organizational endowments | 3,085,724 | 3,085,724 | - | - |
| Investments - Endowments | 28,779,109 | 28,779,109 | - | - |
| Total investments | <u>\$ 33,894,766</u> | <u>\$ 33,894,766</u> | <u>\$ -</u> | <u>\$ -</u> |
| Charitable remainder trusts liability | <u>\$ 100,273</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100,273</u> |
| | <i>Fair Value Measurements at December 31, 2022:</i> | | | |
| | <i>Fair Value</i> | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> |
| Investments | \$ 1,754,813 | \$ 1,754,813 | \$ - | \$ - |
| Investments - Trusts | 219,756 | 219,756 | - | - |
| Investments - Organizational endowments | 2,489,532 | 2,489,532 | - | - |
| Investments - Endowments | 23,787,614 | 23,787,614 | - | - |
| Total investments | <u>\$ 28,251,715</u> | <u>\$ 28,251,715</u> | <u>\$ -</u> | <u>\$ -</u> |
| Charitable remainder trusts liability | <u>\$ 100,624</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100,624</u> |

NOTE F - RELATED PARTY TRANSACTIONS

A member of the Board of Trustees is employed by the financial institution that holds the majority of the Organization's investments and checking account.

During the years ended December 31, 2023 and 2022, the Organization recognized \$93,871 and \$104,577, respectively, in contributions from members of the Board of Trustees.

The Organization awards discretionary grants to other organizations in the community. Some of the recipient organization's have members of the Organization's Board of Trustees as either employees or board members. The Organization has a conflict of interest policy in place.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE G - LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Organization receives support without donor restrictions; such support has historically represented approximately 65% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Organization considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization manages its cash available to meet general expenditures following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets, and maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The Organization's Grant Committee (the Committee) meets semi-annually to review and approve grant requests. Due to the timing, the Organization strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general and fundraising expenses plus an amount that represents the next expected payment for semi-annual grant commitments approved by the Committee.

The table below presents financial assets available for general expenditures within one year at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 2,016,474 | \$ 2,371,299 |
| Investments | 32,799,443 | 26,282,104 |
| Total financial assets | <u>34,815,917</u> | <u>28,653,403</u> |
| Less amounts not available to be used within one year: | | |
| Investments held in Organizational Endowments | (3,085,724) | (2,489,532) |
| Investments held in Endowments | (28,779,109) | (23,787,614) |
| Investments held in Trusts | (242,523) | (219,756) |
| Non-Endowed Donor Advised Funds | <u>(751,948)</u> | <u>(283,016)</u> |
| Financial assets not available to be used within one year | <u>(32,859,304)</u> | <u>(26,779,918)</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 1,956,613</u> | <u>\$ 1,873,485</u> |

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Market risks include global events, which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statements of financial position.

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2023

| | <i>Crawford Heritage Community Foundation</i> | <i>CHCF Holdings, LLC</i> | <i>Eliminated Intercompany Activity</i> | <i>Consolidated Totals</i> |
|--|---|-------------------------------|---|--------------------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 837,803 | \$ - | \$ - | \$ 837,803 |
| Cash and cash equivalents - CHCF Holdings | - | 165,368 | - | 165,368 |
| Cash and cash equivalents - Organizational Endowments | 177,538 | - | - | 177,538 |
| Cash and cash equivalents - Endowments | 829,314 | - | - | 829,314 |
| Restricted cash and cash equivalents - Trusts | 6,451 | - | - | 6,451 |
| Investments | 1,705,390 | - | - | 1,705,390 |
| Investments - Organizational Endowments | 2,908,186 | - | - | 2,908,186 |
| Investments - Endowments | 27,949,795 | - | - | 27,949,795 |
| Restricted investments - Trusts | 236,072 | - | - | 236,072 |
| TOTAL CURRENT ASSETS | 34,650,549 | 165,368 | - | 34,815,917 |
| PROPERTY AND EQUIPMENT, at cost | | | | |
| Land and land improvements | - | 5,735 | - | 5,735 |
| Buildings and building improvements | - | 208,450 | - | 208,450 |
| | - | 214,185 | - | 214,185 |
| TOTAL ASSETS | \$ 34,650,549 | \$ 379,553 | \$ - | \$ 35,030,102 |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Accrued payroll taxes | \$ 13,451 | \$ - | \$ - | \$ 13,451 |
| Organizational endowment fund liability (Note C) | 3,085,724 | - | - | 3,085,724 |
| Charitable remainder trusts liability (Note D) | 100,273 | - | - | 100,273 |
| TOTAL LIABILITIES | 3,199,448 | - | - | 3,199,448 |
| NET ASSETS | | | | |
| Without donor restrictions | 31,308,851 | 379,553 | - | 31,688,404 |
| With donor restrictions | 142,250 | - | - | 142,250 |
| TOTAL NET ASSETS | 31,451,101 | 379,553 | - | 31,830,654 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 34,650,549 | \$ 379,553 | \$ - | \$ 35,030,102 |

See accompanying notes to the financial statements and independent auditor's report

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

| | <i>Crawford Heritage Community Foundation</i> | | | <i>CHCF Holdings, LLC</i> | | <i>Consolidated Totals</i> | | |
|---|---|------------------------------------|----------------------|---------------------------------------|---|---------------------------------------|------------------------------------|----------------------|
| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> | <i>Without Donor Restrictions</i> | <i>Eliminated Intercompany Activity</i> | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Totals</i> |
| REVENUE AND SUPPORT | | | | | | | | |
| Contributions | \$ 3,076,504 | \$ - | \$ 3,076,504 | \$ 390,775 | \$ (390,775) | \$ 3,076,504 | \$ - | \$ 3,076,504 |
| Non-cash contributions | 67,089 | - | 67,089 | - | - | 67,089 | - | 67,089 |
| Net loss from charitable remainder trusts | - | (11,282) | (11,282) | - | - | - | (11,282) | (11,282) |
| Investment income (loss), net of fees | 4,031,639 | 33,819 | 4,065,458 | - | - | 4,031,639 | 33,819 | 4,065,458 |
| Other income | 1,545 | - | 1,545 | 98 | - | 1,643 | - | 1,643 |
| Net assets released from restrictions | (581) | 581 | - | - | - | (581) | 581 | - |
| TOTAL REVENUE AND SUPPORT | 7,176,196 | 23,118 | 7,199,314 | 390,873 | (390,775) | 7,176,294 | 23,118 | 7,199,412 |
| EXPENSES | | | | | | | | |
| Program - grants, gifts, and scholarships | 1,596,696 | - | 1,596,696 | - | (390,775) | 1,205,921 | - | 1,205,921 |
| Administration and general | 133,864 | - | 133,864 | 11,320 | - | 145,184 | - | 145,184 |
| Fundraising | 67,450 | - | 67,450 | - | - | 67,450 | - | 67,450 |
| TOTAL EXPENSES | 1,798,010 | - | 1,798,010 | 11,320 | (390,775) | 1,418,555 | - | 1,418,555 |
| CHANGE IN NET ASSETS | 5,378,186 | 23,118 | 5,401,304 | 379,553 | - | 5,757,739 | 23,118 | 5,780,857 |
| NET ASSETS, BEGINNING | 25,930,665 | 119,132 | 26,049,797 | - | - | 25,930,665 | 119,132 | 26,049,797 |
| NET ASSETS, ENDING | \$ 31,308,851 | \$ 142,250 | \$ 31,451,101 | \$ 379,553 | \$ - | \$ 31,688,404 | \$ 142,250 | \$ 31,830,654 |

See accompanying notes to the financial statements and independent auditor's report

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC**
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

| | <i>Crawford Heritage Community Foundation</i> | | | | <i>CHCF Holdings, LLC</i> | | <i>Consolidated Totals</i> | | | |
|-------------------------|---|---------------------------------------|--------------------|---------------------|---------------------------------------|---|-----------------------------|---------------------------------------|--------------------|---------------------|
| | <i>Program Services</i> | <i>Administration and General</i> | <i>Fundraising</i> | <i>Total</i> | <i>Administration and General</i> | <i>Eliminated Intercompany Activity</i> | <i>Program Services</i> | <i>Administration and General</i> | <i>Fundraising</i> | <i>Total</i> |
| Payroll | \$ 60,694 | \$ 59,123 | \$ 44,498 | \$ 164,315 | \$ - | \$ - | \$ 60,694 | \$ 59,123 | \$ 44,498 | \$ 164,315 |
| Payroll taxes | 4,643 | 4,580 | 3,404 | 12,627 | - | - | 4,643 | 4,580 | 3,404 | 12,627 |
| Benefits | 281 | 375 | 94 | 750 | - | - | 281 | 375 | 94 | 750 |
| Occupancy | - | 2,848 | - | 2,848 | 920 | - | - | 3,768 | - | 3,768 |
| General office expenses | - | 28,105 | - | 28,105 | - | - | - | 28,105 | - | 28,105 |
| Insurance | - | 3,240 | - | 3,240 | - | - | - | 3,240 | - | 3,240 |
| Grants and donations | 1,293,535 | - | - | 1,293,535 | - | (390,775) | 902,760 | - | - | 902,760 |
| Scholarships | 237,543 | - | - | 237,543 | - | - | 237,543 | - | - | 237,543 |
| Professional fees | - | 10,800 | - | 10,800 | - | - | - | 10,800 | - | 10,800 |
| Repairs and maintenance | - | - | - | - | 10,370 | - | - | 10,370 | - | 10,370 |
| Travel | - | 1,398 | - | 1,398 | - | - | - | 1,398 | - | 1,398 |
| Dues | - | 7,185 | - | 7,185 | - | - | - | 7,185 | - | 7,185 |
| Advertising | - | - | 19,454 | 19,454 | - | - | - | - | 19,454 | 19,454 |
| Miscellaneous | - | 16,210 | - | 16,210 | 30 | - | - | 16,240 | - | 16,240 |
| TOTAL EXPENSES | \$ 1,596,696 | \$ 133,864 | \$ 67,450 | \$ 1,798,010 | \$ 11,320 | \$ (390,775) | \$ 1,205,921 | \$ 145,184 | \$ 67,450 | \$ 1,418,555 |

See accompanying notes to the financial statements and independent auditor's report

**CRAWFORD HERITAGE COMMUNITY FOUNDATION
AND CHCF HOLDINGS, LLC
CONSOLIDATING SCHEDULE OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

| | <i>Crawford Heritage Community Foundation</i> | <i>CHCF Holdings, LLC</i> | <i>Eliminated Intercompany Activity</i> | <i>Consolidated Totals</i> |
|---|---|-------------------------------|---|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Change in net assets | \$ 5,401,304 | \$ 379,553 | \$ - | \$ 5,780,857 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | | | |
| Unrealized loss (gain) on value of investments | (3,622,644) | - | - | (3,622,644) |
| Realized (gain) loss on sale of investments | 324,855 | - | - | 324,855 |
| Non-cash contribution of securities | (67,089) | - | - | (67,089) |
| (Decrease) increase in accrued payroll taxes | 1 | - | - | 1 |
| (Decrease) increase in organizational endowment fund liability | 596,192 | - | - | 596,192 |
| (Decrease) increase in charitable remainder trusts liability | (351) | - | - | (351) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>2,632,268</u> | <u>379,553</u> | <u>-</u> | <u>3,011,821</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchases of property | - | (214,185) | - | (214,185) |
| Proceeds from sales of investments | 12,025,443 | - | - | 12,025,443 |
| Purchases of investments | (15,177,904) | - | - | (15,177,904) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(3,152,461)</u> | <u>(214,185)</u> | <u>-</u> | <u>(3,366,646)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(520,193)</u> | <u>165,368</u> | <u>-</u> | <u>(354,825)</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING | <u>2,371,299</u> | <u>-</u> | <u>-</u> | <u>2,371,299</u> |
| CASH AND CASH EQUIVALENTS, ENDING | <u><u>\$ 1,851,106</u></u> | <u><u>\$ 165,368</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,016,474</u></u> |
| SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION: | | | | |
| Cash and cash equivalents | \$ 837,803 | \$ - | \$ - | \$ 837,803 |
| Cash and cash equivalents - CHCF Holdings | - | 165,368 | - | 165,368 |
| Cash and cash equivalents - Organizational Endowments | 177,538 | - | - | 177,538 |
| Cash and cash equivalents - Endowments | 829,314 | - | - | 829,314 |
| Restricted cash and cash equivalents - Trusts | 6,451 | - | - | 6,451 |
| TOTAL CASH AND CASH EQUIVALENTS, ENDING | <u><u>\$ 1,851,106</u></u> | <u><u>\$ 165,368</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,016,474</u></u> |
| SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | | | |
| Donated securities | <u><u>\$ 67,089</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 67,089</u></u> |

See accompanying notes to the financial statements and independent auditor's report