

The Greater Kanawha Valley Foundation & Affiliated Supporting Organization

COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT



DECEMBER 31, 2006 AND 2005

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DIXON HUGHES PLLC
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Greater Kanawha Valley Foundation and
Affiliated Supporting Organization
Charleston, West Virginia

We have audited the accompanying combined statement of financial position of The Greater Kanawha Valley Foundation and affiliated supporting organization, not-for-profit organizations, as of December 31, 2006, and the related combined statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The 2005 combined financial statements, prior to the adjustments as described in Note B, were audited by Simpson & Osborne, CPAs, A.C., who merged with Dixon Hughes PLLC as of February 1, 2007, and whose report dated February 27, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the December 31, 2006 combined financial statements referred to above present fairly, in all material respects, the financial position of The Greater Kanawha Valley Foundation and affiliated supporting organization as of December 31, 2006, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note B that were applied to adjust the December 31, 2005 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Dixon Hughes PLLC

March 14, 2007

COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2006 and 2005

	<u>2006</u>	As Adjusted (Note B) <u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 930,431	\$ 516,500
Investments, at market value	136,077,775	122,739,694
Accrued interest receivable	<u>148,790</u>	<u>94,776</u>
Total current assets	137,156,996	123,350,970
PROPERTY AND EQUIPMENT		
Real estate	2,050	2,050
Fixed assets, net of accumulated depreciation of \$5,553 and \$75, respectively	<u>21,892</u>	<u>5,345</u>
	23,942	7,395
NONCURRENT ASSETS		
Notes receivable	96,866	101,626
Cash surrender value of life insurance	119,648	113,570
Other assets	<u>55,343</u>	<u>66,486</u>
	271,857	281,682
Total assets	<u>\$ 137,452,795</u>	<u>\$ 123,640,047</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of grants payable	\$ 814,162	\$ 504,434
Accounts payable	4,615	1,523
Deferred revenue	<u>23,111</u>	<u>33,670</u>
Total current liabilities	841,888	539,627
LONG-TERM LIABILITIES		
Grants payable	1,394,982	1,252,193
Deferred rent	4,831	3,126
Organization endowment funds held for others	<u>4,408,868</u>	<u>2,296,484</u>
Total liabilities	6,650,569	4,091,430
NET ASSETS		
Unrestricted	130,498,136	119,258,577
Temporarily restricted	<u>304,090</u>	<u>290,040</u>
Total net assets	<u>130,802,226</u>	<u>119,548,617</u>
Total liabilities and net assets	<u>\$ 137,452,795</u>	<u>\$ 123,640,047</u>

See notes to combined financial statements.

COMBINED STATEMENT OF ACTIVITY

Year Ended December 31, 2006

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions, gross	\$ 3,953,044	\$ -	\$ 3,953,044
Less contributions to organizational funds	<u>(1,864,817)</u>	<u>-</u>	<u>(1,864,817)</u>
Net contributions	2,088,227	-	2,088,227
Interest and dividends, net of bank fees of \$207,293	4,058,565	1,662	4,060,227
Net realized and unrealized gains on investments	12,080,156	19,080	12,099,236
Less interest, dividends and gains to organizational funds	<u>(369,638)</u>	<u>-</u>	<u>(369,638)</u>
Net interest, dividends and investment gains	15,769,083	20,742	15,789,825
Other income	54,920	6,078	60,998
Net assets released from restrictions	<u>12,770</u>	<u>(12,770)</u>	<u>-</u>
Total support and revenue	<u>17,925,000</u>	<u>14,050</u>	<u>17,939,050</u>
EXPENSES			
Grants, net of refunds	4,999,515	-	4,999,515
Scholarships, net of refunds	800,700	-	800,700
Less grants and scholarships from organizational funds	<u>(84,241)</u>	<u>-</u>	<u>(84,241)</u>
Net grants and scholarships	<u>5,715,974</u>	<u>-</u>	<u>5,715,974</u>
Investment consultant fees	98,005	-	98,005
Salaries and benefits	543,346	-	543,346
Other operating expenses	335,571	-	335,571
Other fund expenses	33,375	-	33,375
Less other fund and operating expenses from organizational funds	<u>(40,830)</u>	<u>-</u>	<u>(40,830)</u>
Total expenses	<u>6,685,441</u>	<u>-</u>	<u>6,685,441</u>
INCREASE IN NET ASSETS	\$ 11,239,559	\$ 14,050	\$ 11,253,609
Net assets - beginning of year	<u>119,258,577</u>	<u>290,040</u>	<u>119,548,617</u>
Net assets - end of year	<u><u>\$ 130,498,136</u></u>	<u><u>\$ 304,090</u></u>	<u><u>\$ 130,802,226</u></u>

See notes to combined financial statements.

COMBINED STATEMENT OF ACTIVITY

Year Ended December 31, 2005
As Adjusted (Note B)

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions, gross	\$ 7,294,102	\$ 4,593	\$ 7,298,695
Less contributions to organizational funds	<u>(625,803)</u>	<u>-</u>	<u>(625,803)</u>
Net contributions	6,668,299	4,593	6,672,892
Interest and dividends, net of bank fees of \$263,533	1,633,026	1,106	1,634,132
Net realized and unrealized gains on investments	7,653,488	20,453	7,673,941
Less interest, dividends and gains to organizational funds	<u>(141,251)</u>	<u>-</u>	<u>(141,251)</u>
Net interest, dividends and investment gains	9,145,263	21,559	9,166,822
Other income	62,525	5,784	68,309
Net assets released from restrictions	<u>7,398</u>	<u>(7,398)</u>	<u>-</u>
Total support and revenue	<u>15,883,485</u>	<u>24,538</u>	<u>15,908,023</u>
EXPENSES			
Grants, net of refunds	8,583,456	-	8,583,456
Scholarships, net of refunds	750,499	-	750,499
Less grants and scholarships from organizational funds	<u>(59,117)</u>	<u>-</u>	<u>(59,117)</u>
Net grants and scholarships	<u>9,274,838</u>	<u>-</u>	<u>9,274,838</u>
Investment consultant fees	62,237	-	62,237
Salaries and benefits	523,761	-	523,761
Other operating expenses	315,881	-	315,881
Other fund expenses	9,365	-	9,365
Less other fund and operating expenses from organizational funds	<u>(9,697)</u>	<u>-</u>	<u>(9,697)</u>
Total expenses	<u>10,176,385</u>	<u>-</u>	<u>10,176,385</u>
INCREASE IN NET ASSETS	\$ 5,707,100	\$ 24,538	\$ 5,731,638
Net assets - beginning of year	<u>113,551,477</u>	<u>265,502</u>	<u>113,816,979</u>
Net assets - end of year	<u><u>\$ 119,258,577</u></u>	<u><u>\$ 290,040</u></u>	<u><u>\$ 119,548,617</u></u>

See notes to combined financial statements.

COMBINED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2006 and 2005

	<u>2006</u>	As Adjusted (Note B) <u>2005</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 2,028,414	\$ 6,633,685
Investment earnings, net of fees	3,690,589	1,498,629
Other income	61,694	78,275
Grants and scholarships paid	(5,263,457)	(8,228,349)
Cash paid to employees and suppliers	(954,823)	(896,849)
Net cash used in operating activities	<u>(437,583)</u>	<u>(914,609)</u>
Cash flows used in investing activities:		
Purchases of fixed assets	(22,025)	(7,470)
Purchase of investments, net of proceeds from sale of investments	<u>(1,238,845)</u>	<u>435,747</u>
Net cash (used in) provided by investing activities	<u>(1,260,870)</u>	<u>428,277</u>
Cash flows from financing activities:		
Net cash received for organization endowment funds held for others	<u>2,112,384</u>	<u>698,203</u>
Net cash provided by financing activities	<u>2,112,384</u>	<u>698,203</u>
Net change in cash and cash equivalents	413,931	211,871
Cash and cash equivalents, beginning of year	<u>516,500</u>	<u>304,629</u>
Cash and cash equivalents, end of year	<u>\$ 930,431</u>	<u>\$ 516,500</u>
Reconciliation of changes in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 11,253,609	\$ 5,731,638
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,478	75
Change in other assets and liabilities	402,566	1,027,619
Unrealized and realized net gains on investments	<u>(12,099,236)</u>	<u>(7,673,941)</u>
Net cash used in operating activities	<u>\$ (437,583)</u>	<u>\$ (914,609)</u>

See notes to combined financial statements.

Notes to Combined Financial Statements

Years Ended December 31, 2006 and 2005

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Greater Kanawha Valley Foundation is a charitable community trust organized in 1962 and operates under the laws of West Virginia. The Foundation accepts contributions, creates and administers funds, and makes grants for the benefit of the people of the Greater Kanawha Valley. The Foundation has been recognized by the Internal Revenue Service (IRS) as a tax-exempt organization as described in Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The combined financial statements of The Greater Kanawha Valley Foundation and its Affiliate (the Foundation) are composed of The Greater Kanawha Valley Foundation and TGKVF, Inc.

TGKVF, Inc., a supporting organization, was formed on December 9, 1986, primarily to operate for the benefit of, and to carry out the purposes of, the Foundation (see Note K).

Basis of Presentation – The combined financial statements for the Foundation have been prepared on the accrual basis of accounting, which means that revenues are recognized as they are earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time. See Note B.

Use of Estimates – The preparation of combined financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations – The Foundation maintains cash balances at several financial institutions located in West Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2006, the Foundation's uninsured cash balances total \$494,000.

Classification of Net Assets – The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted as required by Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations".

Unrestricted Net Assets – Most contributions, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents. The variance power gives the Foundation the ability to modify donor restrictions that are incapable of fulfillment or are no longer consistent with the charitable needs of the community. As a result of the variance power, most contributions are classified as unrestricted net assets for financial statement purposes.

Temporarily Restricted Net Assets – Temporarily restricted net assets consist of contributions received with donor stipulations that temporarily restrict the use of the donated assets. When the donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction has been fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. At December 31, 2006 and 2005, respectively, amounts temporarily restricted due to purpose restrictions were \$184,442 and \$176,470 and due to time restrictions were \$119,648 and \$113,570.

Notes to Combined Financial Statements (Continued)

Permanently Restricted Net Assets – These are funds that contain a donor-imposed stipulation that neither expire within a certain period of time nor can be fulfilled or otherwise removed by actions of the Foundation. There are no permanently restricted net assets as of December 31, 2006 and 2005.

Income Tax – The Foundation is classified as “an other than private foundation” and is exempt from income taxes under the Internal Revenue Code Section (501(c)(3). Accordingly, no provision for income taxes has been recorded.

Equipment – The Foundation capitalizes expenditures for property and equipment costing over \$2,500. Depreciation is computed utilizing the straight-line method over the estimated useful life of the asset. Depreciation expense for the years ended December 31, 2006 and 2005 was \$5,478 and \$75, respectively.

Statement of Cash Flows – For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Investments – Investments are stated at market value in the case of marketable securities and at estimated fair value for certain nonmarketable securities. The market value of public traded securities is based upon quotes from the principal exchanges on which the security is traded.

Nonmarketable securities include alternative investments, such as private equity, hedge funds, timber and real estate, which are valued using current estimates of fair value obtained from the general partner or investment manager in the absence of readily determinable public market values.

Any change in the valuation of investments is reported as realized and unrealized gains or losses in the combined statement of activity. Dividend and interest income from investments is accrued as the income is earned.

Contributions and Grants – Contributions received by the Foundation are reported at their fair market values on the date of such gifts.

Grants made by the Foundation are recorded in the financial statements at the time the grants are approved by the Board of Trustees of the Foundation. Payments are made when requested by the grantee and any contingencies, such as obtaining matching funds, have been met by the grantee.

Contributed Services – Certain individuals have made significant contributions of their time to manage and operate the Foundation. The value of this contributed time is not reflected in these combined financial statements since it is not susceptible to objective measurement or valuation.

Spending Policy – Subject to the terms of any fund agreement, the Declaration of Trust and/or West Virginia law, the amount that the Foundation makes available for grants from each fund will be calculated by multiplying a percentage by a base.

Notes to Combined Financial Statements (Continued)

The base for grant distributions will be the twenty-quarter moving average of the market value of each Fund’s total market value. The Foundation recognizes that certain circumstances may call for a different base to be used. In such instances, the President of the Foundation, after consultation with the Investment Committee, may adjust the period of time used for the base.

This computation will be made at the beginning of each fiscal year to include the last 20 quarters, estimating the last quarter, if necessary.

Should the total market value of any fund fall below the initial corpus plus additional contributions to the corpus, no distributions will be made unless authorized by the fund agreement or the Board of Trustees as permitted by law.

Internal Designations – The Foundation maintains its records using a fund accounting system in order to classify funds according to internal designations. These classifications are labeled endowment and non-endowment funds and relate to total assets as follows:

	December 31,	
	<u>2006</u>	<u>2005</u>
Endowment	\$ 107,416,880	\$ 97,316,587
Non-endowment	<u>30,035,915</u>	<u>26,323,460</u>
Total	<u>\$ 137,452,795</u>	<u>\$ 123,640,047</u>

Endowment Funds Held for the Benefit of Others – In accordance with Statement of Financial Accounting Standards (SFAS) No. 136, “Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others,” if a not-for-profit organization established a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as organization endowment funds held for others.

The Foundation maintains legal ownership of these funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with SFAS No. 136, a liability has been established for the fair value of the funds.

Fair Values of Financial Instruments – The fair value of financial instruments has been determined through quoted market values and discounted cash flow analysis to approximate the amounts recorded in the combined statements of financial position.

NOTE B - CHANGE IN BASIS OF ACCOUNTING

Prior to 2006, the Foundation prepared its combined financial statements using the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. In 2006, the Foundation adopted accounting principles generally accepted in the United States as the basis for its combined financial statements.

Notes to Combined Financial Statements (Continued)

Under United States generally accepted accounting principles, support and revenue are recognized when earned, expenses are recognized when the obligations are incurred, which for grants is at the time the awards are approved, and a combined statement of cash flows is presented. The 2005 combined financial statements included herein have been retrospectively adjusted to conform with the new basis of accounting. As a result of the change in basis, net assets at the beginning of 2005 are \$2,275,279 less than previously reported, the increase in net assets for the year ended December 31, 2005 is \$1,662,042 less than previously reported, and the net assets at December 31, 2005 are \$3,937,321 less than previously reported.

NOTE C - INVESTMENTS

The following summarizes the relationship between cost or donated values and the market values of investments as of December 31, 2006 and 2005:

Investments as of December 31, 2006:

	<u>Market Value</u>	<u>Cost or Donated Value</u>	<u>Net Unrealized Gain</u>
Corporate stocks	\$ 27,020	\$ 16,793	\$ 10,227
Mutual funds	342,562	273,742	68,820
Money market funds	7,914,296	7,914,296	-
US core equities	33,349,882	28,665,700	4,684,182
US mid/small growth equities	6,197,811	4,707,797	1,490,014
US mid/small value equities	6,245,979	4,746,439	1,499,540
International core equities	29,917,538	18,032,253	11,885,285
Alternative	20,026,479	16,424,530	3,601,949
Fixed income	18,742,776	18,680,255	62,521
Real assets	13,313,432	12,783,868	529,564
	<u>\$ 136,077,775</u>	<u>\$ 112,245,673</u>	<u>\$ 23,832,102</u>

Investments as of December 31, 2005:

	<u>Market Value</u>	<u>Cost or Donated Value</u>	<u>Net Unrealized Gain</u>
Corporate stocks	\$ 74,830	\$ 71,856	\$ 2,974
Mutual funds	425,851	370,156	55,695
Money market funds	5,228,630	5,228,630	-
US core equities	35,051,323	29,365,373	5,685,950
US mid/small growth equities	9,889,325	7,323,464	2,565,861
US mid/small value equities	10,457,862	8,524,017	1,933,845
International core equities	21,419,595	12,515,196	8,904,399
Alternative	18,571,580	15,978,310	2,593,270
Fixed income	21,620,698	21,711,905	(91,207)
	<u>\$ 122,739,694</u>	<u>\$ 101,088,907</u>	<u>\$ 21,650,787</u>

Notes to Combined Financial Statements (Continued)

Amounts reported above as alternative consist of investments in hedge funds, which consist of long/short global equity hedge funds and absolute return – fund-of-funds hedge funds. Amounts reported as real assets consist of investments in common trust funds, which consists of multi-strategy real assets and real estate assets. The real assets segment is intended to provide the portfolio with a diversified hedge against inflation as well as long term real asset growth.

Investment returns for the year ended December 31, 2006 were as follows:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total</u>
Interest and dividends, net of fees	\$ 4,058,565	\$ 1,662	\$ 4,060,227
Unrealized and realized gains on investments	12,080,156	19,080	12,099,236
Less amounts attributable to organizational funds	<u>(369,638)</u>	<u>-</u>	<u>(369,638)</u>
Total return on investments	<u>\$ 15,769,083</u>	<u>\$ 20,742</u>	<u>\$ 15,789,825</u>

Investment returns for the year ended December 31, 2005 were as follows:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total</u>
Interest and dividends, net of fees	\$ 1,633,026	\$ 1,106	\$ 1,634,132
Unrealized and realized gains on investments	7,653,488	20,453	7,673,941
Less amounts attributable to organizational funds	<u>(141,251)</u>	<u>-</u>	<u>(141,251)</u>
Total return on investments	<u>\$ 9,145,263</u>	<u>\$ 21,559</u>	<u>\$ 9,166,822</u>

NOTE D - CASH SURRENDER VALUE OF LIFE INSURANCE

The Foundation is the designated beneficiary of two life insurance policies owned on the life of donors. The insurance policies have been recorded for the amount that will be paid to the Foundation or other organizations upon the death of the donors. The increase in cash surrender value has been recorded as temporarily restricted other income in the combined statements of activities for the years ended December 31, 2006 and 2005.

Notes to Combined Financial Statements (Continued)**NOTE E - FIXED ASSETS**

Fixed assets consist of the following:

	December 31,	
	<u>2006</u>	<u>2005</u>
Computer and office equipment	\$ 9,720	\$ 5,420
Software	<u>17,725</u>	<u>-</u>
	27,445	5,420
Less accumulated depreciation	<u>(5,553)</u>	<u>(75)</u>
Fixed assets, net	<u>\$ 21,892</u>	<u>\$ 5,345</u>

NOTE F - GRANTS PAYABLE

The Foundation has made unconditional promises to various charitable organizations to make grant payments over future years. These grants are recorded at the present value of their future cash flows. A discount rate equal to the Treasury bill rate at December 31, 2006, or 5.085%, was used to arrive at the present value. At December 31, 2006 and 2005, the present value discount effect was approximately \$360,346 and \$250,000, respectively. Unconditional grant commitments outstanding at December 31, 2006 will be disbursed as follows:

2007	\$ 814,162
2008	331,541
2009	167,737
2010	176,374
2011	185,457
Thereafter	<u>533,873</u>
Grants payable, net	2,209,144
Less current portion	<u>(814,162)</u>
Net long term grants payable	<u>\$ 1,394,982</u>

NOTE G - RELATED PARTY TRANSACTIONS

Certain members of the Board of Trustees of the Foundation also participate in the management of, or are members of, the boards of various organizations throughout West Virginia. During the years ended December 31, 2006 and 2005, the Foundation approved and paid grants with a net effect of approximately \$353,000 and \$201,000, respectively, to these organizations. At December 31, 2006 and 2005, the Foundation had grants payable, at net present value, of approximately \$1,566,000 and \$996,000, respectively, to these organizations.

NOTE H - RETIREMENT PLAN

The Foundation has a defined contribution retirement plan that covers all full-time employees having at least one year of service. For 2006 and 2005, contributions to the plan were computed at eight percent of compensation. During 2006 and 2005, the Foundation recorded retirement plan expense of \$30,968 and \$29,494, respectively.

Notes to Combined Financial Statements (Continued)

NOTE I - ADMINISTRATIVE FEES

It is the policy of the Foundation that the administrative fee for the Foundation's operating expenses is calculated each year by multiplying 1% by a base. The base for the administrative fee is the Foundation's total market value on September 30 of each year.

For the years ended December 31, 2006 and 2005, the Foundation assessed each fund an administrative fee of 0.95% of the market value of each fund. These fees are used by the Foundation to pay for administrative costs incurred in managing the Foundation and administering the funds. Administrative fees for the years ended December 31, 2006 and 2005 were \$1,113,148 and \$1,002,722, respectively. For financial statement purposes, the administrative fee income assessed by the Foundation is netted against the administrative fee expense recognized by the funds. These amounts net to zero, and no income or expense is reported.

NOTE J - OPERATING LEASE

The Foundation leases its office space under an operating lease expiring in February 2009. Rent expense for the years ended December 31, 2006 and 2005 was \$96,470 and \$96,140, respectively.

Minimum future rental payments under this operating lease as of December 31, 2006 are:

2007	\$ 96,071
2008	98,977
2009	<u>16,537</u>
	<u>\$ 211,585</u>

NOTE K - AFFILIATED SUPPORTING ORGANIZATION

As discussed in Note A, the Foundation has an affiliated supporting organization, TGKVF, Inc. Summarized financial information for this supporting organization for 2006 and 2005 is:

	<u>2006</u>	<u>2005</u>
Assets		
Cash and cash equivalents	\$ 1,996,698	\$ 285,236
Investments, at market value	<u>16,868,206</u>	<u>14,608,361</u>
Total assets	<u>\$ 18,864,904</u>	<u>\$ 14,893,597</u>
Liabilities and Net Assets		
Grants payable	\$ 30,000	\$ -
Organization endowment funds held for others	<u>3,635,040</u>	<u>1,617,202</u>
Total liabilities	<u>3,665,040</u>	<u>1,617,202</u>
Unrestricted net assets	<u>15,199,864</u>	<u>13,276,395</u>
Total liabilities and net assets	<u>\$ 18,864,904</u>	<u>\$ 14,893,597</u>

13 **The Greater Kanawha Valley Foundation and Affiliated Supporting Organization****Notes to Combined Financial Statements (Continued)**

	<u>2006</u>	<u>2005</u>
Contributions, gross	\$ 3,568,148	\$ 4,041,472
Less contributions to organizational funds	<u>(1,829,717)</u>	<u>(625,603)</u>
Net contributions	1,738,431	3,415,869
Interest and dividends, net of bank fees	467,861	179,737
Net realized and unrealized gains on investments	1,309,583	685,875
Less interest, dividends, and gains to organizational funds	<u>(273,350)</u>	<u>(89,290)</u>
Net interest, dividends, and investment gains	<u>1,504,094</u>	<u>776,322</u>
Total revenue	3,242,525	4,192,191
Grants, net of refunds	887,770	2,434,335
Scholarships, net of refunds	2,143	2,450
Less grants and scholarships from organizational funds	<u>(54,215)</u>	<u>(37,260)</u>
Net grants and scholarships	835,698	2,399,525
Administrative fees	152,897	88,489
Other income	9,176	12,782
Transfers from other funds	352,332	162,630
Less other fund expenses from organizational funds	<u>(31,047)</u>	<u>(3,386)</u>
Total expenses	<u>1,319,056</u>	<u>2,660,040</u>
Change in net assets	<u>\$ 1,923,469</u>	<u>\$ 1,532,151</u>