

**CONEMAUGH VALLEY
CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING
INITIATIVE, INC.**

**FINANCIAL REPORT
December 31, 2023 and 2022**



Analyzing Yesterday. Adjusting Today. Planning Tomorrow.



**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**FINANCIAL REPORT
December 31, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Conemaugh Valley Conservancy, Inc. and
Stonycreek-Quemahoning Initiative, Inc.
Johnstown, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Conemaugh Valley Conservancy, Inc. (a non-profit organization) and its subsidiary, Stonycreek-Quemahoning Initiative, Inc., which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, statements of cash flows, and statements of functional expenses for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Conemaugh Valley Conservancy, Inc. and its subsidiary, Stonycreek-Quemahoning Initiative, Inc., as of December 31, 2023 and 2022, and the results of their activities 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 (GAAS). 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 Organization 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information for 2023 is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies 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 consolidating 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 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

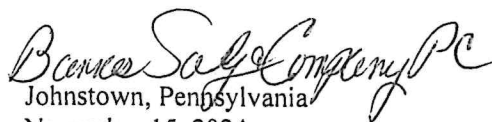
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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 GAAS, 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.


Johnstown, Pennsylvania
November 15, 2024

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022**

	2023	2022
<i>Assets</i>		
Current Assets:		
Cash	\$ 451,422	\$ 711,380
Certificates of deposit	407,423	-
Accounts receivable	-	701
Pledges receivable	3,000	-
Grants receivable	121,904	112,599
Total current assets	983,749	824,680
Land, land improvements and equipment, net	1,192,388	1,275,889
Investments	396,578	336,270
Total assets	\$ 2,572,715	\$ 2,436,839
<i>Liabilities and Net Assets</i>		
Current Liabilities:		
Accounts payable	\$ 31,577	6,269
Accrued payroll	-	3,153
Refundable advances	75,687	112,599
Total current liabilities	107,264	122,021
Net Assets:		
Without donor restrictions	2,106,451	1,960,818
With donor restrictions	359,000	354,000
Total net assets	2,465,451	2,314,818
Total liabilities and net assets	\$ 2,572,715	\$ 2,436,839

See Notes to Consolidated Financial Statements

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2023 and 2022**

	2023	2022
Net Assets Without Donor Restrictions:		
Support and Revenues:		
Grant revenue	\$ 303,568	\$ 197,918
Public and private donations	55,859	60,618
In-kind contributions	94,530	99,767
Membership dues	5,581	4,248
Service fee/registration revenue	18,397	26,056
Interest and investment income	18,924	7,366
Other income (loss)	977	(2,450)
Realized gain (loss) on investments, net	(4,015)	(1,733)
Unrealized gain (loss) on investments	51,618	(72,322)
Total support and revenues	545,439	319,468
Expenses:		
Program Services:		
Trails	139,645	163,679
Stream team initiative	130,105	126,369
Stonycreek-Quemahoning initiative	18,602	19,709
Other	35,624	40,220
Total program services	323,976	349,977
Support Services:		
Management/General	74,623	61,196
Fundraising	1,207	2,335
Total support services	75,830	63,531
Total expenses	399,806	413,508
Change in net assets without donor restrictions	145,633	(94,040)
Net Assets With Donor Restrictions:		
Grants	5,000	352,000
Change in net assets with donor restrictions	5,000	352,000
Change in net assets	150,633	257,960
Net assets, beginning	2,314,818	2,056,858
Net assets, ending	\$ 2,465,451	\$ 2,314,818

See Notes to Consolidated Financial Statements

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022**

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	\$ 150,633	\$ 257,960
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	83,500	83,500
Realized (gain) loss on endowment	4,015	1,733
Unrealized (gain) loss on endowment	(51,618)	72,322
(Increases) decreases in operating assets:		
Grants receivable	(9,305)	16,167
Accounts receivable	701	(488)
Pledges receivable	(3,000)	12,394
Increases (decreases) in operating liabilities:		
Accounts payable	25,308	(73,993)
Deferred revenue	(3,153)	3,153
Refundable advances	(36,912)	(10,467)
Net cash provided by operating activities	160,169	362,281
Cash Flows From Investing Activities:		
Contribution to endowment fund	(1,950)	(5,000)
Purchase of certificates of deposit	(407,423)	-
Investment income reinvested	(10,754)	(10,225)
Net cash provided by (used in) investing activities	(420,127)	(15,225)
Net increase (decrease) in cash and cash equivalents	(259,958)	347,056
Cash and cash equivalents - beginning of year	711,380	364,324
Cash and cash equivalents - end of year	\$ 451,422	\$ 711,380

See Notes to Consolidated Financial Statements

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONG INITIATIVE, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023**

	Program Services						Support Services		Total
	Trails	Stream		Stonycreek- Quemahong		Management/ General	Fundraising		
		Initiative	Team Initiative	Initiative	Other				
Office supplies, postage, & telephone	\$ 858	\$ 1,331	\$ -	\$ 114	\$ 2,857	\$ -	\$ -	\$ 5,160	
Dues and subscriptions	164	333	-	-	388	-	-	885	
Professional fees	1,196	3,520	-	-	3,567	-	-	8,283	
Insurance	1,081	3,061	-	1,100	2,642	-	-	7,884	
Advertising	498	207	-	2,806	1,125	-	-	4,636	
Payroll and related taxes	6,727	57,493	-	1,000	22,821	-	-	88,041	
Employee benefits	-	7,657	-	-	-	189	-	7,846	
Organizational development	126	392	-	-	1,120	-	-	1,638	
Conferences and travel	804	6,306	-	1,000	8,313	-	-	16,423	
Printing and education	1,273	73	-	68	747	-	-	2,161	
Monitoring equipment	-	2,557	-	-	-	-	-	2,557	
Contracted services	6,570	3,140	17,481	700	6,500	-	-	34,391	
Trail development	3,318	-	-	-	-	-	-	3,318	
Trail maintenance	7,948	-	-	-	-	-	-	7,948	
Project expenses and program supplies	265	1,555	1,121	1,993	-	-	-	4,934	
Other	5,297	13,632	-	6,255	486	-	-	25,670	
Subtotal	36,125	101,257	18,602	15,036	50,566	189	-	221,775	
Depreciation	83,500	-	-	-	-	-	-	83,500	
In-kind expense	20,020	28,848	-	20,588	24,057	1,018	-	94,531	
Total expenses	\$ 139,645	\$ 130,105	\$ 18,602	\$ 35,624	\$ 74,623	\$ 1,207	\$ -	\$ 399,806	

See Notes to Consolidated Financial Statements

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022**

	Program Services				Support Services			Total	
	Trails	Stream		Stonycreek- Quemahoning Initiative	Other	Management/ General			Fundraising
		Team Initiative							
Office supplies, postage, & telephone	\$ 921	\$ 2,354	\$ -	\$ 14	\$ -	\$ 3,246	\$ -	\$ 6,535	
Dues and subscriptions	49	205	-	-	-	1,711	-	1,965	
Professional fees	1,324	3,900	-	-	-	3,065	-	8,289	
Insurance	1,068	3,476	-	1,227	-	2,264	-	8,035	
Advertising	-	-	-	2,315	-	153	-	2,468	
Payroll and related taxes	5,456	53,233	-	1,000	-	26,837	-	86,526	
Employee benefits	-	8,438	-	-	-	-	199	8,637	
Organizational development	141	322	-	63	-	270	-	796	
Conferences and travel	1,415	6,385	-	1,000	-	1,165	-	9,965	
Printing and education	-	-	-	199	-	4,048	-	4,247	
Monitoring equipment	-	2,962	-	-	-	-	-	2,962	
Contracted services	29,615	2,837	19,709	700	-	5,940	-	58,801	
Trail development	14,515	-	-	-	-	-	-	14,515	
Trail maintenance	4,883	-	-	-	-	-	-	4,883	
Project expenses and program supplies	126	2,090	-	1,060	-	96	-	3,372	
Other	646	207	-	6,011	-	1,381	-	8,245	
Subtotal	60,159	86,409	19,709	13,589	-	50,176	199	230,241	
Depreciation	83,500	-	-	-	-	-	-	83,500	
In-kind expense	20,020	39,960	-	26,631	-	11,020	2,136	99,767	
Total expenses	\$ 163,679	\$ 126,369	\$ 19,709	\$ 40,220	\$ -	\$ 61,196	\$ 2,335	\$ 413,508	

See Notes to Consolidated Financial Statements

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022**

Note 1: Summary of Significant Accounting Policies

The accompanying consolidated financial statements include the accounts and transactions of Conemaugh Valley Conservancy, Inc. (CVC) and its affiliate Stonycreek-Quemahoning Initiative, Inc. (SQI), collectively referred to as the Organization. CVC is the sole voting member of SQI. All significant intercompany transactions have been eliminated. CVC is a non-profit corporation, which was incorporated in January 1995. CVC conserves and promotes the natural and recreational resources of the Kiski-Conemaugh River Basin to strengthen connections between people and the land. SQI is a non-profit corporation, which was incorporated in November 2007. SQI works with many partners to implement various water and land-based projects.

Basis of Accounting

The consolidated financial statements are presented on the accrual basis of accounting. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions or designated for future periods. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expenses are reported as decreases in net assets without donor restrictions. Contributions with donor-imposed restrictions are recorded as net assets with donor restrictions. When donor-imposed time restrictions expire, or a donor-imposed purpose restriction is fulfilled, the net assets with donor restrictions are released to net assets without donor restrictions. These satisfactions of donor-imposed restrictions are reported as net assets released from donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grant awards are considered non-exchange transactions and are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred.

Basis of Presentation

The consolidated financial statements include Consolidated Statements of Financial Position, Statements of Activities, Statements of Cash Flows, Statements of Functional Expenses and related notes. The Financial Accounting Standards Board is the accepted standard setting body for non-profit organizations. CVC and SQI adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires reporting information regarding its net assets and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONG INITIATIVE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, the Organization considers all unrestricted, highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method.

Operating Expenses

Expenses are charged to programs based on direct expenditures incurred. Other program expenditures not directly chargeable to program services are allocated between program and support services. Expenses are allocated based on the prior year's actual expenses. The allocations are reviewed at least annually by management.

The following is a description of the significant program and support services of the Organization:

Trails – A core program that continues the development of a network of hiking and biking trails in the Kiski-Conemaugh river basin.

Stream Team Initiative – Program to enhance water remediation and education; includes trained volunteers who perform water-monitoring tasks.

Stonycreek-Quemahoning Initiative – Development of water and land based recreational programs based on the Stonycreek River and Quemahoning Reservoir.

Operating/General – General and administrative expenses include all operating expenses not allocated to specific programs.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022**

Note 1: Summary of Significant Accounting Policies (continued)

Income Taxes

CVC and SQI are not-for-profit corporations organized under the laws of the Commonwealth of Pennsylvania. CVC and SQI are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize their tax-exempt status. The Organization's tax returns for the years 2020 and forward are open to examination by federal and state authorities.

Advertising Costs

The Organization's policy for advertising costs is to expense the cost as incurred. Advertising costs are \$4,636 and \$2,468 for the years ended December 31, 2023 and 2022, respectively.

Pledges Receivable

Unconditional promises to give are recognized as revenue in the year the pledge is made. Pledge receivables are generally received within one year of being recorded. Allowances for uncollectible pledges not expected to be received within one year are recorded based on management's current estimate of collectability. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the gift becomes unconditional.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without restriction if the restriction expires in the reporting period in which the support is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022**

Note 1: Summary of Significant Accounting Policies (continued)

Investments

On October 1, 2001, CVC entered into an agreement with Community Foundation for the Alleghenies (the Foundation) to establish an endowment fund. All amounts are considered board designated due to the nature of the endowment fund. See Note 10 for summary of activity.

The investments with the Foundation are held in a pooled fund. The investments are valued at fair market value and recorded on a per unit basis. Investment gains and losses are distributed among the individual funds at the Foundation based on the number of units owned within each fund.

Risks and Uncertainties

The Organization maintains its cash deposits with various local financial institutions in which the accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.

The Organization had cash balances in excess of FDIC insurance of \$197,902 and \$443,845 at December 31, 2023 and 2022, respectively.

The Organization's investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to the changes in value of investment securities, it is at least possible that changes in risk in the near term could materially affect investment balances as reported in the Consolidated Statements of Financial Position.

Note 2: Availability and Liquidity

The Organization's financial assets available within one year for general expenditures are as follows as of December 31, 2023:

Cash and cash equivalents	\$ 858,845
Pledges receivable	3,000
Grants receivable	121,904
Endowment fund investments	396,578
Accounts payable	(31,577)
Restricted net assets	<u>(359,000)</u>
	<u>\$ 989,750</u>

Certain net assets and refundable advances are not available to pay general expenditures because these resources must be used in a particular manner or in a future period. Therefore, these financial assets may not be available for general expenditure within one year.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 3: In Kind Contributions

In-kind contributions are valued at their estimated fair market value as of the date donated. In-kind contributions were made for the years ended December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Labor	\$ 42,598	\$ 38,587
Materials and equipment	3,065	1,200
Trail lease	20,020	20,020
Water sampling, CVC staff and DEP	<u>28,847</u>	<u>39,960</u>
Total	<u>\$ 94,530</u>	<u>\$ 99,767</u>

Note 4: Refundable Advances

Refundable advances represent grant monies received or receivable in 2023 and 2022 that will be recognized as revenue in future periods when the related expenses are incurred. At December 31, CVC and SQI had refundable advances comprised of the following:

	<u>2023</u>	<u>2022</u>
CVC		
DEP – Growing Greener	\$ <u>75,687</u>	\$ <u>112,599</u>
Total	<u>\$ 75,687</u>	<u>\$ 112,599</u>

Note 5: Net Assets

Net assets without donor restrictions is comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>
Board designated	\$ 396,578	\$ 336,270
Undesignated	<u>1,709,873</u>	<u>1,624,548</u>
	<u>\$ 2,106,451</u>	<u>\$ 1,960,818</u>

Board designated net assets includes the endowment fund investments held in trust by the Community Foundation for the Alleghenies. These funds were designated in order to provide funds to support the Organization's functions in years of revenue decline or unanticipated reductions or losses of funding. Board designations are not donor-imposed restrictions and are subject to change at the Board's discretion.

Certain assets have been restricted by donors for the Route 22 Pedestrian Bridge project. Net assets with donor restrictions totaled \$359,000 and \$354,000 for each of the years ended December 31, 2023 and 2022, respectively.

Note 6: Certificates of Deposit

The Organization maintains certificates of deposit at a local financial institution with interest rates ranging from 4.689% to 5.175% with a total balance of \$407,423 for the year ended December 31, 2023. These certificates of deposit mature through January 2025.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022**

Note 7: Land, Land Improvements and Equipment

At December 31, land, land improvements and equipment was comprised of the following:

	<u>Useful Life</u>	<u>2023</u>	<u>2022</u>
Land		\$ 150,880	\$ 150,880
Land improvements	20 years	49,419	49,419
Bridges	30 years	1,920,407	1,920,407
Conemaugh Dam Trail	25 years	444,933	444,933
Equipment	5 years	<u>51,176</u>	<u>51,176</u>
		2,616,815	2,616,815
Less: accumulated depreciation		<u>(1,424,427)</u>	<u>(1,340,926)</u>
Net		<u>\$ 1,192,388</u>	<u>\$ 1,275,889</u>

Depreciation expense amounted to \$83,500 for both of the years ended December 31, 2023 and 2022.

Note 8: Operating Leases

CVC entered into an operating lease with the U.S. Army Corps of Engineers for the use of 3.3 miles of trail located in Indiana and Westmoreland Counties, Pennsylvania. The lease term is twenty-five (25) years and expires in August 2025. The consideration for this lease is the operation and maintenance of the premises by CVC, therefore the fair market value of the rent is recorded as in-kind. The fair market value of rent expense is \$20,020.

Future minimum rental payments would be as follows:

2024	\$ 20,020
2025	<u>20,020</u>
Total	<u>\$ 40,040</u>

Note 9: Pledges Receivable

Pledges receivable consist of the unconditional promises to give from individual donors. Pledges receivable are expected to be received within one year and, therefore, have not been discounted.

Note 10: Fundraising Expenses

Fundraising expenses are based on estimates of time involved in writing and applying for grants and fundraising events plus actual costs such as postage and printing. For the year ended December 31, 2023, estimated fundraising costs were \$1,207 for CVC and \$0 for SQI. For the year ended December 31, 2022, estimated costs were \$2,335 for CVC and \$0 for SQI.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 11: Investments

The following tables provide a summary of the changes in value of the endowment fund and sustaining fund for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Endowment fund – beginning of year	\$ 328,774	\$ 395,100
Gifts and contributions	950	500
Investment income:		
Interest and dividends	8,448	7,224
Net realized and unrealized gains	<u>51,576</u>	<u>(69,304)</u>
Total investment income	60,024	(62,080)
Less distributions	-	-
Less fees	<u>(4,775)</u>	<u>(4,746)</u>
Endowment fund – end of year	<u>\$ 384,973</u>	<u>\$ 328,774</u>
	<u>2023</u>	<u>2022</u>
Sustaining fund – beginning of year	\$ 7,496	\$ -
Gifts and contributions	3,100	7,500
Investment income:		
Interest and dividends	207	-
Net realized and unrealized gains	<u>909</u>	<u>-</u>
Total investment income	1,116	-
Less distributions	-	-
Less fees	<u>(107)</u>	<u>(4)</u>
Sustaining fund – end of year	<u>\$ 11,605</u>	<u>\$ 7,496</u>
Total:	<u>\$ 396,578</u>	<u>\$ 336,270</u>

Note 12: Fair Value Disclosures

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value with generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

ASC 820 does not require any new fair value measurements under GAAP and does not expand the application of fair value accounting to any new circumstances. ASC 820 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.

As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 12: Fair Value Disclosures (continued)

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 measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- 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 active 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.

The Organization adopted provisions of the *FASB Accounting Standards Update (ASU) No 2015-07, Fair Value Measurement Disclosures for Investments in Certain Entities that Calculate Net Asset Value (NAV) per Share (or its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to classify within the fair value hierarchy table in Levels 2 or 3 investments in certain funds measured at NAV as a practical expedient to estimate fair value.

Following is a description of the valuation methodologies used by the Organization for assets that are measured at fair value on a recurring basis. Investments in certain entities such as hedge funds, private equity funds, bank collective funds and pooled separate accounts use net asset value (NAV) per share (or its equivalent) as a practical expedient to estimate fair value. NAV's are presented alongside fair value below to reconcile investments.

Pooled Investments at the Community Foundation – Valued at the Organization's proportionate share of the investments held within the pooled fund and explained further below.

Investments held in the investment pool are valued using the market value unit method, which assigns a number of units to each participant based on the relationship in the individual participant's investments to the total investments at the time the investments are pooled. Periodically, the pooled assets are valued and new unit values are assigned and used for valuing additions to, or withdrawals from, the pool for new endowment contributions or withdrawals of endowment funds entering the pool. The Organization may withdraw from the pool at any time. Net asset value is based on fair market value of the underlying assets of the funds using quoted market prices when available and alternative methods as provided in the individual trust or pooled fund agreements when quoted market prices are not available. The Organization receives a proportionate share of investment returns, expenses, gains and losses based on its proportionate number of units owned in the pooled investments.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of these assets could result in a different fair value measurement at the reporting date.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022**

Note 12: Fair Value Disclosures (continued)

The following table sets forth by level within the fair value hierarchy the Organization's financial assets and that were accounted for at fair value on a recurring basis. As required by ASC 820, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurements.

Fair value measurements consist of the following as of December 31, 2023:

	<u>NAV</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Pool (Core Portfolio) at the Community Foundation	\$ 396,578	\$ -	\$ -	\$ -	\$ 396,578
Total	<u>\$ 396,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,578</u>

Fair value measurements consist of the following as of December 31, 2022:

	<u>NAV</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Pool (Core Portfolio) at the Community Foundation	\$ 336,270	\$ -	\$ -	\$ -	\$ 336,270
Total	<u>\$ 336,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,270</u>

The Organization's investments valued at net asset value were as follows as of December 31, 2023:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Funds held in the Consolidated Investment Pool "Core Portfolio" at the Community Foundation for the Alleghenies	\$ 396,578	Daily	None

The Organization's investments valued at net asset value were as follows as of December 31, 2022:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Funds held in the Consolidated Investment Pool "Core Portfolio" at the Community Foundation for the Alleghenies	\$ 336,270	Daily	None

The Organization has investments held within the Core Portfolio which have an investment objective to maximize long-term total return through a combination of income and capital appreciation in a manner consistent with sound investment practices. The Core Portfolio holds a variety of investments including money market funds, government securities, corporate bonds, mutual funds, common stock and international securities. The Organization holds the variance power for the assets held within the Core Portfolio. The Organization will transfer unrestricted funds out of the Core Portfolio as operating needs demand. These transfers are not recorded on the Statement of Activities and are treated as transfers between asset balances.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHOHING INITIATIVE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 12: Fair Value Disclosures (continued)

The Organization, in order to reflect its investment at fair market value, recorded an unrealized gain of \$51,618 and an unrealized loss of \$72,322 for the years ended December 31, 2023 and 2022, respectively. CVC and SQI's proportionate share of sales of investments during the years ended December 31, 2023 and 2022 resulted in realized losses of \$4,015 and \$1,733, respectively.

Note 13: Subsequent Events

The Organization has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in the financial statements.

SUPPLEMENTARY INFORMATION

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2023**

	Conemaugh Valley Conservancy, Inc.	Stonycreek- Quemahoning Initiative, Inc.	Eliminations	Consolidated
	<i>Assets</i>			
Current Assets:				
Cash	\$ 430,243	\$ 21,179	\$ -	\$ 451,422
Certificates of Deposit	407,423	-	-	407,423
Pledges receivable	3,000	-	-	3,000
Grants receivable	121,904	-	-	121,904
Total current assets	<u>962,570</u>	<u>21,179</u>	<u>-</u>	<u>983,749</u>
Land, land improvements and equipment, net	1,192,388	-	-	1,192,388
Investments	<u>396,578</u>	<u>-</u>	<u>-</u>	<u>396,578</u>
Total assets	<u>\$ 2,551,536</u>	<u>\$ 21,179</u>	<u>\$ -</u>	<u>\$ 2,572,715</u>
	<i>Liabilities and Net Assets</i>			
Current Liabilities:				
Accounts payable	\$ 31,577	\$ -	\$ -	\$ 31,577
Refundable advances	75,687	-	-	75,687
Total current liabilities	<u>107,264</u>	<u>-</u>	<u>-</u>	<u>107,264</u>
Net Assets:				
Net assets without restrictions	2,085,272	21,179	-	2,106,451
Net assets with donor restrictions	359,000	-	-	359,000
Total net assets	<u>2,444,272</u>	<u>21,179</u>	<u>-</u>	<u>2,465,451</u>
Total liabilities and net assets	<u>\$ 2,551,536</u>	<u>\$ 21,179</u>	<u>\$ -</u>	<u>\$ 2,572,715</u>

See Notes to Consolidated Financial Statements.

**CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.**

**CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

	Conemaugh Valley Conservancy, Inc.	Stonycreek- Quemahoning Initiative, Inc.	Eliminations	Consolidated
Net Assets Without Donor Restrictions:				
Support and Revenues:				
Grant revenue	\$ 283,068	\$ 20,500	\$ -	\$ 303,568
Public and private donations	51,859	4,000	-	55,859
In-kind contribution	87,957	6,573	-	94,530
Membership dues	5,581	-	-	5,581
Service fee/registration revenue	18,397	-	-	18,397
Interest and investment income	18,924	-	-	18,924
Other income (loss)	977	-	-	977
Realized loss on investments, net	(4,015)	-	-	(4,015)
Unrealized gain on investments	51,618	-	-	51,618
Total support and revenues	<u>514,366</u>	<u>31,073</u>	<u>-</u>	<u>545,439</u>
Expenses:				
Program Services:				
Trails	139,645	-	-	139,645
Stream team initiative	130,105	-	-	130,105
Stonycreek-Quemahoning initiative	-	18,602	-	18,602
Other	35,624	-	-	35,624
Total program services	<u>305,374</u>	<u>18,602</u>	<u>-</u>	<u>323,976</u>
Support Services:				
Management/general	65,161	9,462	-	74,623
Fundraising	1,207	-	-	1,207
Total support services	<u>66,368</u>	<u>9,462</u>	<u>-</u>	<u>75,830</u>
Total expenses	<u>371,742</u>	<u>28,064</u>	<u>-</u>	<u>399,806</u>
Change in net assets without donor restriction	<u>142,624</u>	<u>3,009</u>	<u>-</u>	<u>145,633</u>
Net Assets With Donor Restriction:				
Grants	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Change in net assets with donor restriction	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Change in net assets	147,624	3,009	-	150,633
Net assets, beginning	<u>2,296,648</u>	<u>18,170</u>	<u>-</u>	<u>2,314,818</u>
Net assets, ending	<u>\$ 2,444,272</u>	<u>\$ 21,179</u>	<u>\$ -</u>	<u>\$ 2,465,451</u>

See Notes to Consolidated Financial Statements.

CONEMAUGH VALLEY CONSERVANCY, INC. AND
STONYCREEK-QUEMAHONING INITIATIVE, INC.

CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	Conemaugh Valley Conservancy, Inc.	Stonycreek- Quemahoning Initiative, Inc.	Eliminations	Consolidated
Cash Flows From Operating Activities:				
Change in net assets	\$ 147,624	\$ 3,009	\$ -	\$ 150,633
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	83,500	-	-	83,500
Realized loss on endowment	4,015	-	-	4,015
Unrealized loss on endowment	(51,618)	-	-	(51,618)
(Increases) decreases in operating assets:				
Grants receivable	(9,305)	-	-	(9,305)
Accounts receivable	701	-	-	701
Pledges receivable	(3,000)	-	-	(3,000)
Increases (decreases) in operating liabilities:				
Accounts payable	25,308	-	-	25,308
Accrued payroll	(3,153)	-	-	(3,153)
Refundable advances	(36,912)	-	-	(36,912)
Net cash provided by operating activities	<u>157,160</u>	<u>3,009</u>	<u>-</u>	<u>160,169</u>
Cash Flows From Investing Activities:				
Contribution to investments	(1,950)	-	-	(1,950)
Purchase of certificates of deposit	(407,423)	-	-	(407,423)
Investment income reinvested	(10,754)	-	-	(10,754)
Net cash (used in) investing activities	<u>(420,127)</u>	<u>-</u>	<u>-</u>	<u>(420,127)</u>
Net increase in cash and cash equivalents	(262,967)	3,009	-	147,465
Cash and cash equivalents - beginning of year	<u>693,210</u>	<u>18,170</u>	<u>-</u>	<u>711,380</u>
Cash and cash equivalents - end of year	<u>\$ 430,243</u>	<u>\$ 21,179</u>	<u>\$ -</u>	<u>\$ 858,845</u>

See Notes to Consolidated Financial Statements

CONEMAUGH VALLEY CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services				Support Services			Total
	Trails	Stream Team Initiative	Stonycreek-Quemahoning Initiative	Other	Management/General	Fundraising		
Office supplies, postage & telephone	\$ 858	\$ 1,331	\$ -	\$ 114	\$ 1,961	\$ -	\$ -	\$ 4,264
Dues and subscriptions	164	333	-	-	373	-	-	870
Professional fees	1,196	3,520	-	-	2,312	-	-	7,028
Insurance	1,081	3,061	-	1,100	1,942	-	-	7,184
Advertising	498	207	-	2,806	1,125	-	-	4,636
Payroll and related taxes	6,727	57,493	-	1,000	22,821	-	-	88,041
Employee benefits	-	7,657	-	-	-	189	-	7,846
Organizational development	126	392	-	-	1,120	-	-	1,638
Conferences and travel	804	6,306	-	1,000	8,290	-	-	16,400
Printing and education	1,273	73	-	68	747	-	-	2,161
Monitoring equipment	-	2,557	-	-	-	-	-	2,557
Contracted services	6,570	3,140	-	700	6,500	-	-	16,910
Trail development	3,318	-	-	-	-	-	-	3,318
Trail maintenance	7,948	-	-	-	-	-	-	7,948
Project expenses and program supplies	265	1,555	-	1,993	-	-	-	3,813
Other	5,297	13,632	-	6,255	486	-	-	25,670
Subtotal	36,125	101,257	-	15,036	47,677	189	-	200,284
Depreciation	83,500	-	-	-	-	-	-	83,500
In-kind expense	20,020	28,848	-	20,588	17,484	1,018	-	87,958
Total expenses	\$ 139,645	\$ 130,105	\$ -	\$ 35,624	\$ 65,161	\$ 1,207	\$ -	\$ 371,742

See Notes to Consolidated Financial Statements

STONYCREEK-QUEMAHONING INITIATIVE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services				Support Services		Total
	Trails	Stream Team Initiative	Stonycreek-Quemahoning Initiative	Other	Management/General	Fundraising	
Office supplies, postage & telephone	\$ -	\$ -	\$ -	\$ -	\$ 896	\$ -	\$ 896
Dues and subscriptions	-	-	-	-	15	-	15
Professional fees	-	-	-	-	1,255	-	1,255
Insurance	-	-	-	-	700	-	700
Advertising	-	-	-	-	-	-	-
Payroll and related taxes	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Organizational development	-	-	-	-	-	-	-
Conferences and travel	-	-	-	-	23	-	23
Outside staffing and consulting fees	-	-	-	-	-	-	-
Printing and education	-	-	-	-	-	-	-
Monitoring equipment	-	-	-	-	-	-	-
Contracted services	-	-	17,481	-	-	-	17,481
Trail maintenance	-	-	-	-	-	-	-
Project expenses and program supplies	-	-	1,121	-	-	-	1,121
Other	-	-	-	-	-	-	-
Subtotal	-	-	18,602	-	2,889	-	21,491
Depreciation	-	-	-	-	-	-	-
In-kind expense	-	-	-	-	6,573	-	6,573
Total expenses	\$ -	\$ -	\$ 18,602	\$ -	\$ 9,462	\$ -	\$ 28,064

See Notes to Consolidated Financial Statements