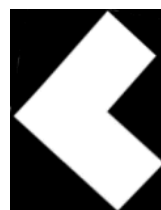


***United Way of Henry County and Martinsville, Inc.***

***Report on Audit of Financial Statements***

***Years Ended December 31, 2024 and 2023***



***Creedle Jones  
& Associates, P.C.  
Certified Public Accountants***

**United Way of Henry County and Martinsville, Inc.**

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Years Ended December 31, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Henry County and Martinsville, Inc.  
Martinsville, Virginia

### Opinion

We have audited the accompanying financial statements of United Way of Henry County and Martinsville, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Henry County and Martinsville, Inc., as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 United Way of Henry County and Martinsville, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Henry County and Martinsville, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Henry County and Martinsville, Inc.'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 United Way of Henry County and Martinsville, Inc.'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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of payments to participating agencies is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Credle, Jones & Associates, P.C.*

Credle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
September 23, 2025

## United Way of Henry County and Martinsville, Inc.

## Statements of Financial Position

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,615,185	\$ 1,301,826
Accounts receivable	279,162	324,095
Investments	77,505	70,242
Prepaid expenses	1,460	1,460
Pledges receivable, net	<u>182,056</u>	<u>202,636</u>
Total Current Assets	2,155,368	1,900,259
<b>Property and Equipment</b>		
Property and equipment	65,287	65,287
Less: Accumulated depreciation	<u>(62,068)</u>	<u>(60,637)</u>
Net Property and Equipment	3,219	4,650
<b>Other Assets</b>		
Operating lease right-of-use asset	<u>127,091</u>	182,523
Total Other Assets	<u>127,091</u>	182,523
Total Assets	<u>\$ 2,285,678</u>	<u>\$ 2,087,432</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 9,178	\$ 2,970
Deferred revenue	700,152	512,229
Donor designations (net)	42,206	75,234
Payroll withholding payable	18,560	15,290
Lease liability, short-term	<u>60,000</u>	<u>60,000</u>
Total Current Liabilities	830,096	665,723
<b>Long-Term Liabilities</b>		
Lease liability, long-term	<u>67,091</u>	122,523
Total Long-Term Liabilities	<u>67,091</u>	122,523
Total Liabilities	897,187	788,246
<b>Net Assets</b>		
Without donor restrictions	1,118,419	1,004,706
With donor restrictions	<u>270,072</u>	<u>294,480</u>
Total Net Assets	<u>1,388,491</u>	1,299,186
Total Liabilities and Net Assets	<u>\$ 2,285,678</u>	<u>\$ 2,087,432</u>

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

United Way of Henry County and Martinsville, Inc.

Statement of Activities

Year Ending December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Gains, and Other Support</b>			
<i>Annual campaign contributions</i>			
Contributions collected from current campaign	\$ 193,771	\$ 15,316	\$ 209,087
Contributions from previous campaigns	282,761	11,675	294,436
Less: donor designations to other agencies	(42,206)	-	(42,206)
Less: allowance for uncollectible pledges	(11,621)	-	(11,621)
	<u>422,705</u>	<u>26,991</u>	<u>449,696</u>
<i>Other Revenue</i>			
Smart Beginnings	-	553,731	553,731
Investment income	19,875	-	19,875
Administrative fees retained on amounts designated by donors for specific organizations	4,164	-	4,164
Financial Stability	-	881,152	881,152
Healthy Living	-	601,431	601,431
Operating income	<u>181,967</u>	<u>-</u>	<u>181,967</u>
Total Other Revenue	206,006	2,036,314	2,242,320
Net assets released from restrictions	<u>2,087,713</u>	<u>(2,087,713)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	2,716,424	(24,408)	2,692,016
<b>Expenses</b>			
Program services - community services	2,440,587	-	2,440,587
Management and general	80,464	-	80,464
Fundraising	<u>81,660</u>	<u>-</u>	<u>81,660</u>
Total Expenses	<u>2,602,711</u>	<u>-</u>	<u>2,602,711</u>
Change in Net Assets	113,713	(24,408)	89,305
Net Assets - Beginning of Year	<u>1,004,706</u>	<u>294,480</u>	<u>1,299,186</u>
Net Assets - End of Year	<u>\$ 1,118,419</u>	<u>\$ 270,072</u>	<u>\$ 1,388,491</u>

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

United Way of Henry County and Martinsville, Inc.

Statement of Activities

Year Ending December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Gains, and Other Support</b>			
<i>Campaign applicable to current period</i>			
Contributions collected from current campaign	\$ 306,334	\$ 23,349	\$ 329,683
Contributions from previous campaigns	312,088	10,752	322,840
Less: donor designations to other agencies	(75,234)	-	(75,234)
Less: allowance for uncollectible pledges	(12,934)	-	(12,934)
	<u>530,254</u>	<u>34,101</u>	<u>564,355</u>
<i>Other Revenue</i>			
Smart Beginnings	-	593,508	593,508
Investment income	17,075	-	17,075
Administrative fees retained on amounts designated by donors for specific organizations	3,045	-	3,045
Financial Stability	-	644,157	644,157
Healthy Living	-	269,075	269,075
Miscellaneous grant income	-	10,000	10,000
Operating income	<u>106,673</u>	<u>-</u>	<u>106,673</u>
Total Other Revenue	126,793	1,516,740	1,643,533
Net assets released from restrictions	<u>1,471,149</u>	<u>(1,471,149)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>2,128,196</u>	<u>79,692</u>	<u>2,207,888</u>
<b>Expenses</b>			
Program services - community services	1,869,599	-	1,869,599
Management and general	68,864	-	68,864
Fundraising	<u>79,281</u>	<u>-</u>	<u>79,281</u>
Total Expenses	<u>2,017,744</u>	<u>-</u>	<u>2,017,744</u>
Change in Net Assets	110,452	79,692	190,144
Net Assets - Beginning of Year	<u>894,254</u>	<u>214,788</u>	<u>1,109,042</u>
Net Assets - End of Year	<u>\$ 1,004,706</u>	<u>\$ 294,480</u>	<u>\$ 1,299,186</u>

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

**United Way of Henry County and Martinsville, Inc.**

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 89,305	\$ 190,144
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Depreciation and amortization	1,430	1,430
Unrealized (gain) loss on investments	(2,090)	(2,420)
(Increase) decrease in accounts receivables	44,933	(168,930)
Increase (decrease) in accounts payable	6,208	(805)
(Increase) decrease in pledges receivable	20,580	(59,424)
(Increase) decrease in prepaid expenses	-	(1,460)
Increase (decrease) in donor designations	(33,028)	(8,123)
Increase (decrease) in accrued wages	-	(3,154)
Increase (decrease) in deferred revenue	187,923	(89,442)
Increase (decrease) in payroll withholdings payable	<u>3,270</u>	<u>7,383</u>
 Net Cash Provided by (Used in) Operating Activities	 318,531	 (134,801)
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	<u>(5,172)</u>	<u>(2,058)</u>
 Net Cash Used in Investing Activities	 <u>(5,172)</u>	 <u>(2,058)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 313,359	 (136,859)
 Cash and Cash Equivalents - Beginning of Year	 <u>1,301,826</u>	 <u>1,438,685</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 1,615,185</u>	 <u>\$ 1,301,826</u>
 <b>Supplemental Disclosures of Cash and Cash Flow Information</b>		
Interest Expense	<u>\$ -</u>	<u>\$ -</u>
 Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 60,000</u>	<u>\$ 40,000</u>
 Lease assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ -</u>	<u>\$ 50,285</u>

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

## United Way of Henry County and Martinsville, Inc.

Notes to the Financial Statements

Year Ended December 31, 2024

### 1 Nature of Activities and Significant Accounting Policies

#### ***Nature of Activities***

The United Way of Henry County and Martinsville, Inc. (United Way) is a nonprofit organization which solicits funds for community health, welfare, recreational agencies, and national service organizations in a unified appeal plan.

#### ***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting.

#### ***Contributions***

Contributions received are recorded as net assets with donor restrictions or without donor restrictions depending upon the existence or nature of any donor restrictions.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the United Way considers all cash and highly liquid debt instruments including certificates of deposit to be cash equivalents.

#### ***Promises to Give***

Contributions are recognized when the donor makes a promise to give to the United Way that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

#### ***Investments***

United Way of Henry County and Martinsville, Inc. records purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

#### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated community impact allocations and for endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### ***Property and Equipment***

Property and equipment is carried at cost. Depreciation is computed over the estimated useful lives of the respective assets using the straight-line method. Depreciation expense for 2024 amounted to \$1,430.

### ***Cost Allocation***

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### ***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.

### ***Income Taxes***

The United Way has been classified as an exempt organization under the Internal Revenue Code Section 501(c)(3) and, therefore, is not subject to income tax.

### ***Revenue Recognition***

Contributions which include unconditional promises to give are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be without donor restrictions unless specifically with restrictions by the donor.

The United Way reports contributions as net asset with donor restrictions if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished net assets with donor restrictions are released and reclassified to net assets without donor restrictions in the statement of activities. However, if restrictions on contributions are met in the same reporting period as the contribution is received, the revenues are reported as increases in net assets without donor restrictions.

### ***Leases***

United Way enters into lease arrangements for building space and, upon entering in an arrangement, determines the appropriate treatment in accordance with ASU 2016-02, Leases (Topic 842).

Arrangements in which substantially all of the risks of ownership have been transferred to United Way are accounted for as finance leases and extend up to one year. Arrangements which do not qualify for finance lease treatment but still provide United Way the right to use the underlying asset are deemed to be operating leases. These leases are recorded on the statement of financial position as “Right of use, lease assets” and “Right of use, lease obligations”. United Way uses an incremental borrowing rate for discounting leases, as applicable, and has elected to separate lease and non-lease components in the calculation of the right of use, lease assets and lease obligations.

## Reclassifications

Certain reclassifications have been made to the 2023 financial statement presentation to correspond to the current year's format.

## 2 Cash and Cash Equivalents

The Organization maintains cash balances at several local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. During the year, the balances maintained at the institutions may exceed the maximum amount insured by the FDIC. Management believes the risk of loss resulting from uninsured balances to be immaterial. The balances in excess of FDIC limits at December 31, 2024 is \$588,942.

## 3 Property and Equipment

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Property and equipment	\$ 65,287	\$ 65,287
Accumulated depreciation	<u>(62,068)</u>	<u>(60,637)</u>
Property and Equipment, Net	<u>\$ 3,219</u>	<u>\$ 4,650</u>

## 4 Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year end	\$ 2,155,368	\$ 1,900,259
Less those unavailable for general expenditures within one year	<u>270,072</u>	<u>294,480</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,885,296</u>	<u>\$ 1,605,779</u>

As part of our liquidity management plan, we have invested cash in excess of daily requirements in CD's and money market funds.

## 5 Pension Plan

The United Way of Henry County and Martinsville, Inc. is a participating member in the Mutual of America Pension Plan. Total contributions for the year ended December 31, 2024 were \$33,985.

## 6 Pledges Receivable

Pledges receivable at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Pledges receivable expected to be collected within one year	\$ 193,677	\$ 215,570
Allowance for uncollectible pledges (discounted at 6%)	<u>(11,621)</u>	<u>(12,934)</u>
Pledges receivable, net	<u>\$ 182,056</u>	<u>\$ 202,636</u>

## 7 Investments and Fair Value Measurements

Investments are composed of the following at December 31, 2024 and 2023:

<u>Description</u>	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ <u>72,843</u>	\$ <u>77,505</u>	\$ <u>68,413</u>	\$ <u>70,242</u>

The Organization adopted accounting standards which established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – The asset or liability fair values are based on inputs to the valuation methodology which are unadjusted quoted prices for identical assets or liabilities in active markets such as the NYSE.

Level 2 – The asset or liability fair values are based on observable inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other inputs that are observable and can be corroborated by observable market data for substantially the full term of the asset or liability by correlation or other means.

Level 3 – The asset or liability fair values are based on other valuation methodologies including pricing models, discounted cash flows models, or similar techniques rather than observable market exchange, broker, or dealer transactions. Thus, these values may require assumptions and estimates.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All equity securities were classified as Level 1 within the fair value hierarchy at December 31, 2024 and 2023.

A summary of investment earnings included in the change in net assets in the accompanying statements of activities is as follows:

	<u>2024</u>	<u>2023</u>
<u>Without Donor Restrictions</u>		
Interest and dividend income	\$ <u>17,785</u>	\$ 14,655
Unrealized gain/(loss) on investments	<u>2,090</u>	<u>2,420</u>
Total	\$ <u>19,875</u>	\$ <u>17,075</u>

The following tabulation summarizes the relationship between carrying values and fair values of investment assets:

	<u>Cost Value</u>	<u>Fair Value</u>	<u>Excess of Fair Value Over Cost</u>
Balance at beginning of year	\$ <u>68,413</u>	\$ <u>70,242</u>	\$ 1,829
Balance at end of year	\$ <u>72,843</u>	\$ <u>77,505</u>	<u>4,662</u>
Unrealized appreciations (depreciation) for the year			\$ <u>2,833</u>

## 8 Functional Expenses

The chart below presents functional expenses for fiscal years ended December 31, 2024 and 2023:

	<u>Program Activities</u>		<u>Supporting Services</u>			<u>Total</u>
	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Subtotal</u>		
<b>December 31, 2024</b>						
Salaries - executive director	\$ 46,201	\$ 28,874	\$ 40,425	\$ 69,299	\$	115,500
Salaries - staff	63,821	9,872	19,744	29,616		93,437
Employee health and retirement benefits	14,413	4,502	7,191	11,693		26,106
Payroll taxes	8,347	2,607	4,164	6,771		15,118
Office	4,730	788	788	1,576		6,306
Dues and subscriptions	7,808	1,302	1,302	2,604		10,412
Postage and shipping	533	89	89	178		711
Campaign expenses	-	-	5,905	5,905		5,905
Travel and conferences	38	6	6	12		50
Professional fees	-	24,673	-	24,673		24,673
Insurance	-	5,183	-	5,183		5,183
Occupancy	8,843	1,474	1,474	2,948		11,791
Participating agency payments - allocations	241,104	-	-	-		241,104
Smart Beginnings	572,581	-	-	-		572,581
United Way of America dues	15,566	-	-	-		15,566
Financial Stability Initiative	854,599	-	-	-		854,599
Healthy Living Initiative	601,431	-	-	-		601,431
Miscellaneous	-	808	-	808		808
Depreciation	572	286	572	858		1,430
Total Functional Expenses	<u>\$ 2,440,587</u>	<u>\$ 80,464</u>	<u>\$ 81,660</u>	<u>\$ 162,124</u>	<u>\$</u>	<u>2,602,711</u>

	<u>Program Activities</u>		<u>Supporting Services</u>			<u>Total</u>
	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Subtotal</u>		
<b>December 31, 2023</b>						
Salaries - executive director	\$ 44,001	\$ 27,499	\$ 38,500	\$ 65,999	\$	110,000
Salaries - staff	60,739	9,395	18,790	28,185		88,924
Employee health and retirement benefits	16,699	5,216	8,332	13,548		30,247
Payroll taxes	7,828	2,445	3,905	6,350		14,178
Office	1,169	195	194	389		1,558
Dues and subscriptions	2,590	432	431	863		3,453
Postage and shipping	424	71	71	142		566
Campaign expenses	-	-	7,322	7,322		7,322
Travel and conferences	122	20	20	40		162
Professional fees	-	18,600	-	18,600		18,600
Insurance	-	2,607	-	2,607		2,607
Occupancy	6,866	1,144	1,144	2,288		9,154
Participating agency payments - allocations	244,427	-	-	-		244,427
Smart Beginnings	574,792	-	-	-		574,792
United Way of America dues	13,016	-	-	-		13,016
Financial Stability Initiative	627,321	-	-	-		627,321
Healthy Living Initiative	269,033	-	-	-		269,033
Miscellaneous	-	954	-	954		954
Depreciation	572	286	572	858		1,430
Total Functional Expenses	<u>\$ 1,869,599</u>	<u>\$ 68,864</u>	<u>\$ 79,281</u>	<u>\$ 148,145</u>	<u>\$</u>	<u>2,017,744</u>

## 9 Leases

As of December 31, 2024, the Company had two operating leases and zero finance leases.

The component of lease cost for the year ended December 31, 2024 is as follows:

Operating lease expense	\$ 60,000
Total	<u>\$ 60,000</u>

Amounts reported in the statement of financial position as of December 31, 2024 were as follows:

Operating lease ROU assets	\$ 127,091
Operating lease liabilities	127,091

Other information related to leases as of December 31, 2024 was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 60,000

Weighted average remaining lease term:

Weighted-average remaining lease term in years for operating leases	2.63
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Weighted average discount rate:

Weighted-average discount rate for operating leases	3.00%
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Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under operating leases as of December 31, 2024 are as follows:

<u>Year</u>	<u>Operating</u>
2025	\$ 60,000
2026	36,000
2027	36,000
2028	-
2029	-
Thereafter	<u>-</u>
Total Undiscounted Cash Flows	132,000
Less: Present Value Discount	<u>(4,909)</u>
Total Lease Liabilities	<u>\$ 127,091</u>

## 10 Deferred Revenue

Deferred revenue consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial Stability	\$ <b>247,774</b>	\$227,017
Healthy Living	<b>38,170</b>	52,452
Smart Beginnings	<u><b>414,208</b></u>	<u>232,760</u>
	<u><b>\$ 700,152</b></u>	<u>\$512,229</u>

## 11 Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2024 and 2023 consisted of the following:

<b>With Donor Restrictions</b>	<u>2024</u>	<u>2023</u>
Campaign revenue	\$ <b>26,991</b>	\$ 34,101
Grant revenue:		
Financial Stability	<b>94,819</b>	93,267
Healthy Living	<b>42</b>	42
Smart Beginnings	<u><b>148,220</b></u>	<u>167,070</u>
Total Grant Revenue	<u><b>243,081</b></u>	<u>260,379</u>
Net Assets with Donor Restrictions	<u><b>\$ 270,072</b></u>	<u>\$ 294,480</u>

## 12 Overhead Ratio

The overhead ratio is equal to fund-raising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the Gross Method recommended in "Functional Expense and Overhead Reporting Standards for United Ways," United Way Worldwide, 2011.

	<u>2024</u>	<u>2023</u>
Numerator: Supporting services and general	\$ <b>162,124</b>	\$ 148,145
Denominator: Total support and other revenue	<b>2,692,016</b>	2,182,888
Add: amounts designated for specific agencies (not included in support and revenue)	<b>42,206</b>	75,234
Less: the portion of designations retained as fee revenue	<u><b>(4,164)</b></u>	<u>(3,045)</u>
Amounts raised and other revenue	<u><b>\$ 2,730,058</b></u>	<u>\$ 2,255,077</u>
Numerator/Denominator expressed as a percent	<b>5.94%</b>	6.57%

## **13** Endowment Fund

The Board of Directors established an endowment fund during 2016 which may contain both donor-restricted and board-designated funds and may have separately named endowments in each. The board may, at its discretion, reinvest all or any portion of the income generated by the principal of the fund or use all or any portion of the income generated for charitable purposes consistent with the Organization's standing with the Internal Revenue Service. The board may use the principal from any board-designated endowment fund only during a severe economic downturn by a supermajority (two-thirds) vote.

Two board-designated endowment funds were funded during the year ended December 31, 2017. One was funded from contributions received in memoriam of a long-time supporter of the Organization and the other was funded from operating reserves. The total board-designated endowment balances at December 31, 2024 and 2023 were \$77,505 and \$70,242, respectively.

## **14** Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 23, 2025, the date which the financial statements were available to be issued.

# **SUPPLEMENTARY INFORMATION**

**United Way of Henry County and Martinsville, Inc.**

Schedule of Payments to Participating Agencies

Year Ended December 31, 2024

**Payments to Participating Agencies**

Adult Day Care Center	\$ 18,694
American Red Cross	23,333
Anchor Commission	7,609
Bassett Rescue Squad	2,634
Boy Scouts of America	1,611
Boys & Girls Clubs	5,867
Community Dream Center	20,000
Dan River Basin Association	500
Family YMCA	14,333
Fieldale-Collinsville Rescue Squad	2,172
FOCUS/CASA	15,994
Friends of Infinity Acres Ranch	4,000
Girl Scouts of America	4,167
Grace Network	18,000
Henry County Food Pantry	23,333
Horsepasture Rescue Squad	1,528
PHCC Foundation	3,333
Piedmont Community Services	28,333
Ridgeway Rescue Squad	1,663
Southern Area Agency on Aging	11,000
Southside Survivor Response Center, Inc.	13,333
Stepping Stones	5,000
Virginia Legal Aid Society	<u>14,667</u>
 Total Payments to Participating Agencies	 <u>\$ 241,104</u>

See accompanying independent auditor's report