United Way of Henry County and Martinsville, Inc.

Report on Audit of Financial Statements

Years Ended December 31, 2023 and 2022

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

United Way of Henry County and Martinsville, Inc.

Table of Contents

Years Ended December 31, 2023 and 2022

United Way of Henry County and Martinsville, Inc.

Officers and Directors

Year Ended December 31, 2023

Executive Committee

President	Jonathan Hartsock
Vice-President	Jackie Hughes
Secretary/Treasurer	Mary Nester
Immediate Past President	Donna Morrison

Board of Directors

Brenna Jameson	Sharon Shepherd
Kevin Silveira	Lourdes Akers
Wayne Moore	Veronica Favero
Callie Hietala	Marcus Stone
Jess Jarrett	Beverly Pitzer
Scott Prillaman	

Officials

Executive Director	Philip Wenkstern

Creedle Jones & Associates

A Professional Corporation

Robin B. Jones, CPA, CFP
Kimberly W. Jackson, CPA

Sherwood H. Creedle, Founder

Members of
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

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 statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2023 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, 2023, and the changes in its net assets and its cash flows for the year 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of United Way of Henry County and Martinsville, Inc. as of December 31, 2022 were audited by other auditors whose report dated February 6, 2024 expressed an unmodified opinion on those statements.

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.

P. O. Box 487
828 N. Mecklenburg Avenue
South Hill, Virginia 23970
434-447-7111 • FAX: 434-447-5793
www.cja-cpa.com

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.

Creedle, Jones & Associates, P.C.

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

South Hill, Virginia
November 6, 2024

Exhibit A

United Way of Henry County and Martinsville, Inc.

Statements of Financial Position

December 31, 2023 and 2022

	2023	(Restated) 2022
Assets		
Current Assets		
Cash and cash equivalents	$ 1,301,826	$ 1,438,685
Accounts receivable	324,095	155,165
Investments	70,242	65,764
Prepaid expenses	1,460	-
Pledges receivable, net	202,636	143,212
Total Current Assets	1,900,259	1,802,826
Property and Equipment		
Property and equipment	65,287	94,116
Less: Accumulated depreciation	(60,637)	(88,036)
Net Property and Equipment	4,650	6,080
Other Assets		
Operating lease right-of-use asset	182,523	145,163
Total Other Assets	182,523	145,163
Total Assets	$ 2,087,432	$ 1,954,069
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 2,970	$ 3,775
Accrued wages	-	3,154
Deferred revenue	537,229	601,671
Donor designations (net)	75,234	83,357
Payroll withholding payable	15,290	7,907
Lease liability, short-term	60,000	32,756
Total Current Liabilities	690,723	732,620
Long-Term Liabilities		
Lease liability, long-term	122,523	112,407
Total Long-Term Liabilities	122,523	112,407
Total Liabilities	813,246	845,027
Net Assets		
Without donor restrictions	1,004,706	894,254
With donor restrictions	269,480	214,788
Total Net Assets	1,274,186	1,109,042
Total Liabilities and Net Assets	$ 2,087,432	$ 1,954,069

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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Annual campaign contributions			
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)
Total Annual Campaign Contributions	530,254	34,101	564,355
Other Revenue			
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	-	619,157	619,157
Healthy Living	-	269,075	269,075
Miscellaneous grant income	-	10,000	10,000
Operating income	106,673	-	106,673
Total Other Revenue	126,793	1,491,740	1,618,533
Net assets released from restrictions	1,471,149	(1,471,149)	-
Total Revenues, Gains, and Other Support	2,128,196	54,692	2,182,888
Expenses			
Program services - community services	1,869,599	-	1,869,599
Management and general	68,864	-	68,864
Fundraising	79,281	-	79,281
Total Expenses	2,017,744	-	2,017,744
Change in Net Assets	110,452	54,692	165,144
Net Assets - Beginning of Year	894,254	214,788	1,109,042
Net Assets - End of Year	$ 1,004,706	$ 269,480	$ 1,274,186

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, 2022 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Campaign applicable to current period			
Contributions collected from prior campaigns	$ 143,314	$ -	$ 143,314
Contributions received in prior periods			
(released from restrictions)	1,284,612	(1,284,612)	-
Less: donor designations (2021-2022)	(83,357)	83,357	-
Total Contributions for Current Period	1,344,569	(1,201,255)	143,314
Total amount raised in campaign for next allocation period	-	304,632	304,632
Less: donor designations	-	(83,357)	(83,357)
Less: allowance for uncollectible	-	(18,278)	(18,278)
Total Contributions for Next Allocation Period	-	202,997	202,997
Total Campaign	1,344,569	(998,258)	346,311
Other Revenue			
Smart Beginnings	-	420,857	420,857
Investment income	1,886	-	1,886
Administrative fees retained on amounts			
designated by donors for specific organizations	4,642	-	4,642
Financial Stability	-	403,935	403,935
Healthy Living	-	170,624	170,624
Miscellaneous grant income	-	9,051	9,051
Operating income	72,152	-	72,152
Total Other Revenue	78,680	1,004,467	1,083,147
Total Revenues, Gains, and Other Support	1,423,249	6,209	1,429,458
Expenses			
Program services - community services	1,420,867	-	1,420,867
Management and general	61,094	-	61,094
Fundraising	72,776	-	72,776
Total Expenses	1,554,737	-	1,554,737
Change in Net Assets	(131,488)	6,209	(125,279)
Net Assets - Beginning of Year	1,025,742	208,579	1,234,321
Net Assets - End of Year	$ 894,254	$ 214,788	$ 1,109,042

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, 2023 and 2022

	2023	(Restated) 2022
Cash Flows from Operating Activities		
Change in net assets	$ 165,144	$ (125,279)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,430	1,116
Unrealized (gain) loss on investments	(2,420)	9,001
(Increase) decrease in accounts receivables	(168,930)	(154,850)
Increase (decrease) in accounts payable	(805)	(6,185)
(Increase) decrease in pledges receivable	(59,424)	91,570
(Increase) decrease in prepaid expenses	(1,460)	8,817
Increase (decrease) in donor designations	(8,123)	4,108
Increase (decrease) in accrued wages	(3,154)	3,154
Increase (decrease) in deferred revenue	(64,442)	510,740
Increase (decrease) in payroll withholdings payable	7,383	1,528
Net Cash Provided by (Used in) Operating Activities	(134,801)	343,720
Cash Flows from Investing Activities		
Purchase of investments	(2,058)	(3,945)
Purchase of furniture, fixtures, and equipment	-	(7,154)
Net Cash Used in Investing Activities	(2,058)	(11,099)
Net Increase (Decrease) in Cash and Cash Equivalents	(136,859)	332,621
Cash and Cash Equivalents - Beginning of Year	1,438,685	1,106,064
Cash and Cash Equivalents - End of Year	$ 1,301,826	$ 1,438,685
Supplemental Disclosures of Cash and Cash Flow Information		
Interest Expense	$ -	$ -
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ 40,000	$ 27,000
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ 50,285	$ 169,188

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

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 2023 amounted to $1,431.

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 2022 financial statement presentation to correspond to the current year's format.

Recently Adopted Accounting Pronouncements from Financial Accounting Standards Board (FASB)

In June 2016, the FASB issued new accounting guidance, ASC Topic 326, "Financial Instruments – Credit Losses", which replaces the incurred loss methodology with an expected credit loss methodology and requires consideration of a broader range of reasonable and supportable information to estimate credit losses. The new guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. United Way adopted this guidance effective January 1, 2023, using the modified retrospective approach.

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, 2023 is $34,150.

3 Property and Equipment

Property and equipment consist of the following:

	2023	2022
Property and equipment	$ 65,287	$ 94,116
Accumulated depreciation	(60,637)	(88,036)
Property and Equipment, Net	$ 4,650	$ 6,080

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:

	2023	(Restated) 2022
Financial assets at year end	$ 1,900,259	$ 1,802,826
Less those unavailable for general expenditures within one year	269,480	214,788
Financial assets available to meet cash needs for general expenditure within one year	$ 1,630,779	$ 1,588,038

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, 2023 were $30,060.

6 Pledges Receivable

Pledges receivable at December 31, 2023 and 2022 consisted of the following:

	2023	2022
Pledges receivable expected to be collected within one year	$ 215,570	$ 161,490
Allowance for uncollectible pledges (discounted at 6%)	(12,934)	(18,278)
Pledges receivable, net	$ 202,636	$ 143,212

7 Investments and Fair Value Measurements

Investments are composed of the following at December 31, 2023 and 2022:

	2023		2022	
Description	Cost	Fair Value	Cost	Fair Value
Equity securities	$ 68,413	$ 70,242	$ 66,355	$ 65,764

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, 2023 and 2022.

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

	2023	2022
Without Donor Restrictions		
Interest and dividend income	$ 14,655	$ 10,887
Unrealized gain/(loss) on investments	2,420	(9,001)
Total	$ 17,075	$ 1,886

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

	Cost Value	Fair Value	Excess of Fair Value Over Cost
Balance at beginning of year	$ 66,355	$ 65,764	$ (591)
Balance at end of year	$ 68,413	$ 70,242	1,829
Unrealized appreciations (depreciation) for the year			$ 2,420

8 Functional Expenses

The chart below presents functional expenses for fiscal years ended December 31, 2023 and 2022:

	Program Activities	Supporting Services			
	Community Services	Management and General	Fundraising	Subtotal	Total
December 31, 2023					
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	$ 1,869,599	$ 68,864	$ 79,281	$ 148,145	$ 2,017,744

	Program Activities	Supporting Services			
	Community Services	Management and General	Fundraising	Total	Grand Total
December 31, 2022					
Salaries - executive director	$ 33,478	$ 20,923	$ 29,293	$ 50,216	$ 83,694
Salaries - staff	66,416	10,273	20,547	30,820	97,236
Employee health and retirement benefits	9,214	2,878	4,597.00	7,475	16,689
Payroll taxes	7,163	2,237	3,573.00	5,810	12,973
Office expense	1,319	220	219	439	1,758
Dues and subscriptions	3,191	532	532	1,064	4,255
Postage and shipping	878	146	146	292	1,170
Office equipment maintenance	11,676	1,946	1,946	3,892	15,568
Campaign expenses	-	-	9,683	9,683	9,683
Travel and conferences	267	44	44	88	355
Professional fees	-	16,300	-	16,300	16,300
Insurance	-	2,793	-	2,793	2,793
Occupancy	10,497	1,750	1,750	3,500	13,997
Participating agency payments - allocations	260,973	-	-	-	260,973
Smart Beginnings	418,378	-	-	-	418,378
United Way of America dues	12,984	-	-	-	12,984
Financial Stability Initiative	415,041	-	-	-	415,041
Healthy Living Initiative	165,495	-	-	-	165,495
Childcare expenses	3,451	-	-	-	3,451
Miscellaneous	-	828	-	828	828
Depreciation	446	224	446	670	1,116
Total Functional Expenses	$ 1,420,867	$ 61,094	$ 72,776	$ 133,870	$ 1,554,737

9 Leases

As of December 31, 2023, the Company had two operating leases and zero finance leases.

The component of lease cost for the year ended December 31, 2023 is as follows:

Operating lease expense	$ 42,000
Total	$ 42,000

Amounts reported in the statement of financial position as of December 31, 2023 were as follows:

Operating lease ROU assets	$ 182,523
Operating lease liabilities	182,523

Other information related to leases as of December 31, 2023 was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 40,000
ROU assets obtained in exchange for new operating lease liabilities	$ 50,285

Weighted average remaining lease term:

Weighted-average remaining lease term in years for operating leases	3.49

Weighted average discount rate:

Weighted-average discount rate for operating leases	3.00%

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, 2023 are as follows:

Year	Operating
2024	$ 60,000
2025	60,000
2026	36,000
2027	36,000
2028	-
Thereafter	-
Total Undiscounted Cash Flows	192,000
Less: Present Value Discount	(9,477)
Total Lease Liabilities	$ 182,523

10 Deferred Revenue

Deferred revenue consisted of the following at December 31, 2023 and 2022:

	2023	(Restated) 2022
Financial Stability	**$ 252,017**	$196,367
Healthy Living	**52,452**	75,000
Smart Beginnings	**232,760**	330,304
	$ 537,229	$601,671

11 Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2023 and 2022 consisted of the following:

With Donor Restrictions	2023	2022
Campaign revenue	**$ 34,101**	$ 7,076
Grant revenue:		
Financial Stability	**68,267**	59,358
Healthy Living	**42**	-
Smart Beginnings	**167,070**	148,354
Total Grant Revenue	**235,379**	207,712
Net Assets with Donor Restrictions	**$ 269,480**	$ 214,788

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.

		2023	(Restated) 2022
Numerator:	Supporting services and general	**$ 148,145**	$ 133,870
Denominator:	Total support and other revenue	**2,182,888**	1,429,458
	Add: amounts designated for specific agencies (not included in support and revenue)	**75,234**	83,357
	Less: the portion of designations retained as fee revenue	**(3,045)**	(4,642)
	Amounts raised and other revenue	**$ 2,255,077**	$ 1,508,173
Numerator/Denominator expressed as a percent		**6.57%**	8.88%

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, 2023 and 2022 were $70,242 and $65,773, respectively.

14 Restatement of Net Assets

Net Assets Restated Due to Correction of an Error:

	With Donor Restrictions
Balance - as previously reported - December 31, 2022	$ 272,863
Deferred revenue amount reported incorrectly in prior year	(58,075)
Restated Balance - beginning of the year - January 1, 2022	$ 214,788

15 Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 6, 2024, 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, 2023

Payments to Participating Agencies	
Adult Day Care Center	$ 20,000
American Red Cross	31,385
Axton Life Saving Crew	1,014
Bassett Rescue Squad	2,000
Boy Scouts of America	2,945
Boys & Girls Clubs	16,333
Dan River Basin Association	1,000
Family YMCA	14,000
Fieldale-Collinsville Rescue Squad	2,720
FOCUS/CASA	18,988
Girl Scouts of America	9,667
Grace Network	23,667
Henry County Food Pantry	13,333
Horsepasture Rescue Squad	1,666
Piedmont Community Services	27,667
Ridgeway Rescue Squad	1,375
Southern Area Agency on Aging	3,333
Southside Survivor Response Center, Inc.	6,667
Stepping Stones	5,000
The Community Dream Center	21,667
Virginia Legal Aid Society	20,000
Total Payments to Participating Agencies	$ 244,427

See accompanying independent auditor’s report