

**UNITED WAY OF DANVILLE -  
PITTSYLVANIA COUNTY**

**FINANCIAL REPORT**

**MARCH 31, 2026**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Way of Danville-Pittsylvania County  
Danville, Virginia

### **Opinion**

We have audited the accompanying financial statements of United Way of Danville-Pittsylvania County (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026, and the related statements of activities, functional expenses, and cash flows for the year 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 Danville-Pittsylvania County as of March 31, 2026, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Danville-Pittsylvania County 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.

### **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 Danville-Pittsylvania County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 Danville-Pittsylvania County'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 Danville-Pittsylvania County'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 Summarized Comparative Information**

We have previously audited United Way of Danville-Pittsylvania County's 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris Harvey Neal & Co. LLP*

Danville, Virginia  
June 9, 2026

UNITED WAY OF DANVILLE-PITTSYLVANIA COUNTY

STATEMENT OF FINANCIAL POSITION  
 March 31, 2026 with Comparative Totals for 2025  
 See Independent Auditors' Report

	<u>2026</u>	<u>2025</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 615,282	\$ 632,163
Prepaid expenses	2,600	2,600
Receivables:		
Pledges - net	74,973	73,688
Miscellaneous	675	-
	<u>693,530</u>	<u>708,451</u>
Total current assets		
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	<u>77,097</u>	<u>77,097</u>
	77,097	77,097
Less accumulated depreciation	<u>72,462</u>	<u>68,227</u>
Property and equipment, net	<u>4,635</u>	<u>8,870</u>
<b>OPERATING LEASE RIGHT-OF-USE ASSET</b>		
	<u>38,541</u>	<u>67,536</u>
	<u><u>\$ 736,706</u></u>	<u><u>\$ 784,857</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,518	\$ 2,115
Accounts payable - designated contributions	-	-
Deferred income	-	3,577
Current portion of operating lease liability	<u>30,621</u>	<u>28,995</u>
Total current liabilities	<u>33,139</u>	<u>34,687</u>
<b>NONCURRENT LIABILITIES-OPERATING LEASE</b>		
	<u>7,920</u>	<u>38,541</u>
<b>NET ASSETS</b>		
Without donor restrictions	672,019	671,339
With donor restrictions	<u>23,628</u>	<u>40,290</u>
Total net assets	<u>695,647</u>	<u>711,629</u>
	<u><u>\$ 736,706</u></u>	<u><u>\$ 784,857</u></u>

UNITED WAY OF DANVILLE-PITTSYLVANIA COUNTY

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2026 with Comparative Totals for 2025

See Independent Auditors' Report

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
<b>PUBLIC SUPPORT AND REVENUES</b>				
Public support:				
Campaign amounts raised	\$ -	\$ 297,249	\$ 297,249	\$ 299,632
Less provision for uncollectible pledges	-	-	-	198
Special events	5,796	-	5,796	-
Less direct donor benefit costs	(2,894)	-	(2,894)	-
Total public support - net	2,902	297,249	300,151	299,830
Revenue:				
Other income and contributions	-	37,453	37,453	6,488
Interest and dividends	15,371	-	15,371	26,486
Rent	4,459	-	4,459	3,409
Grant income	-	76,096	76,096	26,503
Total revenue	19,830	113,549	133,379	62,886
Net assets released from restrictions	458,135	(458,135)	-	-
Total public support and revenues	480,867	(47,337)	433,530	362,716
<b>EXPENSES</b>				
Program services	254,145	-	254,145	355,785
Fundraising	102,959	-	102,959	113,212
Management and general	92,408	-	92,408	89,954
Total expenses	449,512	-	449,512	558,951
Change in net assets	31,355	(47,337)	(15,982)	(196,235)
Net assets, beginning	640,664	70,965	711,629	907,864
Net assets, ending	\$ 672,019	\$ 23,628	\$ 695,647	\$ 711,629

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF DANVILLE-PITTSYLVANIA COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended March 31, 2026 with Comparative Totals for 2025  
See Independent Auditors' Report

	2026			2025	
	Program Services	Support services		Total	Total
		Fundraising	Management and General		
Allocations to agencies	\$ 174,131	\$ -	\$ -	\$ 174,131	\$ 240,037
Salaries and related expenses					
Salaries	28,566	54,847	30,852	114,265	122,793
Payroll taxes	2,088	4,008	2,254	8,350	8,993
Employee benefits:					
Health and vision insurance	3,234	6,210	3,493	12,937	12,681
Retirement	955	1,833	1,030	3,818	5,237
Total salaries and related expenses	34,843	66,898	37,629	139,370	149,704
Other expenses					
Grant expenses	30,659	-	-	30,659	60,541
Lease expense	7,956	15,276	8,592	31,824	31,668
Meetings and training	855	1,642	924	3,421	7,110
Insurance	1,391	1,391	2,783	5,565	6,988
Equipment and technology	-	-	6,978	6,978	7,397
Professional fees	-	-	22,793	22,793	13,732
Local transportation	-	-	566	566	218
Depreciation	1,059	1,059	2,117	4,235	5,434
Printing	500	1,000	499	1,999	1,504
Building and equipment	60	60	120	240	417
Telephone and internet	1,414	1,414	2,828	5,656	10,893
Postage and shipping	280	716	436	1,432	1,517
Janitorial	715	715	1,430	2,860	3,120
Special events - campaign	-	1,570	-	1,570	2,470
Office supplies	-	-	1,841	1,841	1,532
Miscellaneous	-	8,534	-	8,534	5,636
Advertising	282	2,537	-	2,819	7,021
Organizational dues	-	-	2,595	2,595	1,505
Campaign support & supplies	-	147	-	147	90
Subscriptions	-	-	277	277	417
Interest	-	-	-	-	-
Total other expenses	45,171	36,061	54,779	136,011	169,210
Total functional expenses	\$ 254,145	\$ 102,959	\$ 92,408	\$ 449,512	\$ 558,951

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF DANVILLE-PITTSYLVANIA COUNTY

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2026 with Comparative Totals for 2025

See Independent Auditors' Report

	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (15,982)	\$ (196,235)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,235	5,434
Provision for uncollectible pledges	-	(198)
Change in operating assets and liabilities:		
Prepaid expenses	-	1,709
Pledges receivable - net	(1,285)	70,261
Miscellaneous receivable	(675)	250
Accounts payable and accrued expenses	403	(3,817)
Accounts payable - designated contributions	-	(5,595)
Deferred income	(3,577)	(8,232)
Net cash provided by (used in) operating activities	(16,881)	(136,423)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	-
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(16,881)	(136,423)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	632,163	768,586
Ending	\$ 615,282	\$ 632,163
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash payments for interest	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

## UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Nature of Organization and Significant Accounting Policies

##### Nature of organization:

United Way of Danville-Pittsylvania County (the "Organization") helps provide critical funding to many human service agencies that conduct a variety of programs that help people in unique ways. Working together with organizations and individuals throughout Danville and Pittsylvania County, the Organization is changing and improving lives not only in the moment of need, but for the long-term. The majority of the revenues comes from the annual campaign. The campaign raises both funds with restrictions and without restrictions. The funds without restrictions are allocated by local volunteers who serve on the community investment panel and approved by the Board of Directors.

##### Basis of accounting:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### Basis of presentation:

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Support:

The Organization accounts for contributions in accordance with the recommendations of authoritative U.S. accounting and reporting standards under which the Organization is required to record contributions received as with or without restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When the restriction expires in the same year the contribution is received, it is the policy of the Organization to report the contribution as without donor restricted support.

Contributions of cash or other assets are recognized when the cash is received or when ownership of donated assets is transferred to the Organization. Donated assets are recorded at their estimated fair values on the date of donation. Unconditional promises to give are recorded as made. Contributed support is with or without restrictions depending upon the existence of donor restrictions that limit the use of the support.

Pledges:

Pledges to the Organization, net of estimated uncollectible amounts, are recognized as revenue in the period received. All contributions are considered available for general expenditure without donor restrictions unless specifically restricted by the donor. Pledges are recorded in the statement of financial position when received, and allowances are provided for amounts estimated to be uncollectible. All uncollected pledges are charged off at the end of the second year following the year in which they are pledged. The amounts estimated to be uncollectible are determined by historical trends.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Cash and cash equivalents:

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Property and equipment:

Property and equipment are recorded at cost, except for donated assets which are recorded at fair value at the date of receipt. Depreciation is provided over the estimated useful life of the depreciable asset and is computed using the straight-line method:

Buildings and improvements	5 to 40 years
Furniture and equipment	5 to 15 years

United Way of Danville-Pittsylvania County capitalizes all items greater than \$1,000.

Donor designations:

Donor designations are contributions that the donor specifically directs to a particular organization. Under generally accepted accounting principles, donor designations do not constitute campaign revenue or expense. The funds are held by the Organization as an agent and are distributed to the intended organizations when collected, net of a service fee.

Donated services:

A significant number of volunteers donate substantial amounts of time to the Organization's annual fundraising campaign, its fund allocation process, administrative oversight, and other programs. No amounts have been included in these financial statements for the value of volunteer services as they do not meet the requirements for recognition in financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Advertising:

The Organization expenses advertising costs as incurred.

Income tax status:

The Organization is exempt from income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income tax has been made.

Comparative information:

The financial statements include certain summarized comparative information as of or for the year ended March 31, 2025, in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements as of or for the year end March 31, 2025, from which the summarized information was derived.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Reclassification:

Certain amounts in the 2025 financial statements have been reclassified for comparative purposes to conform to the 2026 presentation.

Functional allocation of expenses:

The costs of providing various program services and supporting 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 program services and supporting activities benefited.

Leases:

The Organization leases their building. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our balance sheets.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since the Organization's lease does not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate at lease commencement for their building. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Subsequent events:

Management has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available for issue.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2. Pledges Receivable

Pledges receivable at March 31, 2026 and 2025 are all due within the year thereafter and consist of the following:

	2026	2025
Pledge campaign for 2027 and 2026	\$ 87,495	\$ -
Pledge campaign for 2026 and 2025	-	86,177
Less allowances for uncollectible pledges	(12,522)	(12,489)
Pledges receivable - net	\$ 74,973	\$ 73,688

Note 3. Pension Plan

The Organization has a simplified employee pension plan (SEP) covering substantially all employees who are at least 21 years of age. Contributions to the plan amounted to \$3,818 and \$5,237 for the years ended March 31, 2026 and 2025, respectively. The Organization's policy is to fund pension cost as incurred. The vested benefits are measured by the current value of the contributions to the plan. The plan is qualified under the Internal Revenue Code.

Note 4. Lease

The Organization entered into a lease for office space on Craghead Street in Danville, VA with a three year term that began on July 1, 2024, with monthly payments of \$2,652.

The Organization has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the balance sheet.

As of March 31, 2026, the Organization had one operating lease and zero finance leases.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 4. Lease (continued)

Additional information about the Company's leases is as follows:

<b>Lease expense</b>	<b>2026</b>
Operating lease cash expense under new lease	\$ 31,824
Operating lease non-cash expense	-
<b>Total</b>	<b>\$ 31,824</b>
 <b>Other Information</b>	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 31,824
ROU assets obtained in exchange for new operating lease liabilities	\$ -
Weighted-average remaining lease term in years for operating leases	1.25
Weighted-average discount rate for operating leases	5.47%
 <b>Maturity Analysis</b>	
2027	\$ 31,824
2028	7,956
2029	0
2030	-
2031	-
Thereafter	-
Total undiscounted cash flows	\$ 39,780
Less: present value discount	(1,239)
Total lease liabilities	<b>\$ 38,541</b>

Note 5. Liquidity and Availability

Financial assets as of March 31, 2026, available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents      \$615,282

The Organization maintains cash sufficient to cover approximately 3 months of operating expenses, and the Board reviews monthly financial statements including cash position.

UNITED WAY OF DANVILLE - PITTSYLVANIA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Designated Contributions	\$ -	\$ 19,446
Designated Grants	23,628	20,844
	<u>\$ 23,628</u>	<u>\$ 40,290</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended March 31, 2026:

Satisfaction of purpose restrictions

Agency payments, fundraising, and program service expenses	\$ 408,108
Grant expenditures	<u>50,027</u>
	<u>\$ 458,135</u>

Note 7. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, amortization, interest, and insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, and other, which are allocated on the basis of estimates of time and effort.