

DOWNTOWN WYTHEVILLE, INC.

Wytheville, Virginia

**FINANCIAL REPORT
(Reviewed)**

DECEMBER 31, 2024

C O N T E N T S

	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of functional expenses	4
Statement of cash flows	5
Notes to financial statements	6-10



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Downtown Wytheville, Inc.
Wytheville, Virginia

We have reviewed the accompanying financial statements of Downtown Wytheville, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Downtown Wytheville, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Yount, Hyde & Barbours, P.C.

Winchester, Virginia
July 14, 2025

DOWNTOWN WYTHEVILLE, INC.

Statement of Financial Position

December 31, 2024

See Independent Accountant's Review Report

Assets

Cash and cash equivalents	\$ 384,392
Prepaid expenses	<u>1,719</u>
Total assets	<u>\$ 386,111</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 581
Accrued payroll	<u>12,075</u>
Total liabilities	<u>12,656</u>

Net Assets

Without donor restrictions	228,455
With donor restrictions	<u>145,000</u>
Total net assets	<u>373,455</u>

Total liabilities and net assets	<u>\$ 386,111</u>
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See Notes to Financial Statements.

DOWNTOWN WYTHEVILLE, INC.

Statement of Activities

For the Year Ended December 31, 2024

See Independent Accountant's Review Report

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 275,402	\$ 125,000	\$ 400,402
Event revenue	4,142	--	4,142
Miscellaneous	1,573	--	1,573
Interest income	10,610	--	10,610
Net assets released from restrictions	<u>92,428</u>	<u>(92,428)</u>	<u>--</u>
Total revenue and support	<u>384,155</u>	<u>32,572</u>	<u>416,727</u>
Expenses			
Program services	61,378	--	61,378
Management and general	<u>171,158</u>	<u>--</u>	<u>171,158</u>
Total expenses	<u>232,536</u>	<u>--</u>	<u>232,536</u>
Change in net assets	<u>151,619</u>	<u>32,572</u>	<u>184,191</u>
Net Assets			
Beginning of year as previously reported	91,967	99,384	191,351
Restatement	<u>(15,131)</u>	<u>13,044</u>	<u>(2,087)</u>
Beginning of year as restated	<u>76,836</u>	<u>112,428</u>	<u>189,264</u>
End of year	<u>\$ 228,455</u>	<u>\$ 145,000</u>	<u>\$ 373,455</u>

See Notes to Financial Statements.

DOWNTOWN WYTHEVILLE, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2024
See Independent Accountant's Review Report

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Facilities and equipment	\$ --	\$ 12,000	\$ 12,000
Grants	10,000	--	10,000
Insurance	--	2,077	2,077
Marketing	1,487	262	1,749
Miscellaneous	--	893	893
Personnel	24,803	140,547	165,350
Postage and shipping	--	136	136
Printing and copying	10	195	205
Professional services	22,664	9,712	32,376
Supplies	1,615	1,615	3,230
Telecommunications	--	1,090	1,090
Travel, conferences, and meetings	<u>799</u>	<u>2,631</u>	<u>3,430</u>
	<u>\$ 61,378</u>	<u>\$ 171,158</u>	<u>\$ 232,536</u>

See Notes to Financial Statements.

DOWNTOWN WYTHEVILLE, INC.

Statement of Cash Flows

For the Year Ended December 31, 2024
See Independent Accountant's Review Report

Cash Flows from Operating Activities

Change in net assets	\$ 184,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) in prepaid expenses	(1,000)
Increase in accounts payable	307
Increase in accrued payroll	<u>1,235</u>
Net cash provided by operating activities	<u>184,733</u>
Net increase in cash and cash equivalents	184,733

Cash and Cash Equivalents

Beginning of year	<u>199,659</u>
End of year	<u>\$ 384,392</u>

See Notes to Financial Statements.

DOWNTOWN WYTHEVILLE, INC.

Notes to Financial Statements

See Independent Accountant's Review Report

Note 1. Organization, Nature of Activities, and Management Structure

Downtown Wytheville Incorporated (DTW) is a 501(c)(3) organization that uses grant funds and other public and private donations to bring grassroots revitalization to Downtown Wytheville, and to forge strong partnerships and progressive strategies to make Downtown Wytheville the vibrant heart of the community and commerce for the region.

The affairs of DTW are managed by a Board of Directors elected to serve three-year terms. Officers are appointed at the annual meeting in February of each year to serve one-year terms.

Officers serving during the 2024 fiscal year are:

Josh Pennington - President
Shane Terry- Vice President
Rob Kern – Treasurer
Beth Cochran - Secretary

The Executive Director of DTW is a non-voting member of the Board of Directors. The Executive Director is an employee of the Town of Wytheville, under a Memorandum of Understanding (MOU) with DTW.

Note 2. Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. DTW's financial position and activities are classified as follows:

Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Net assets with donor restrictions are limited in use by donor-imposed stipulations either that expire by the passage of time or that can be fulfilled by action of DTW pursuant to those stipulations. Net assets with donor restrictions also includes amounts required by donors to be held in perpetuity.

Notes to Financial Statements
See Independent Accountant's Review Report

Revenue

Contributions and Grants

Contributions and grants are recognized when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions. A contribution is reported as without donor restrictions if a restriction is fulfilled in the same time period in which the contribution is received. Contributions of skilled services as well as donated materials and equipment are recognized at their estimated fair value.

Unconditional promises to give (pledges receivable) due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free rates applicable to the years in which the promises are to be received

Event Revenue

Event revenue consists of ticket revenue and/or contributions. Event ticket revenue and related expenses are recognized when the event occurs. Contributions are recognized consistent with ASU 2018-08.

Miscellaneous Revenue

DTW receives revenue from merchandise sales, permits, and banners. The revenue for these is recognized at the point of sale and at the time the services are performed.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. DTW does not sell contributed nonfinancial assets. In addition to contributed nonfinancial assets, volunteers donated significant amounts of their time to program services; however, the financial statements do not reflect the value of these contributed services because they did not meet the criteria for recognition. Contributed goods are recorded at their estimated fair value at the date of donation.

Contract Balances

DTW records accounts receivable when it has the unconditional right to issue an invoice and receive payment. If consideration is received and revenue has not been recognized, a contract liability (deferred revenue) is recorded. There was no deferred revenue at December 31, 2024. The opening balance is deferred revenue at January 1, 2024, was \$0.

Notes to Financial Statements
See Independent Accountant's Review Report

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Upon settlement, actual results may differ from estimated amounts. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Economic Dependency and Concentrations

DTW receives most of its funding from state and local governmental agencies. DTW's operations are dependent upon continuing support from those granters. During the year ended December 31, 2024, DTW recognized restricted grants totaling \$125,000 from the Commonwealth of Virginia representing 31% of contributions and grant revenue for the year.

Cash and Cash Equivalents

For purposes of the statements of cash flows, DTW considers all cash on hand, checking accounts, and savings to be cash and cash equivalents.

Furniture, Fixtures, and Equipment

Equipment purchased by DTW with a value of \$2,500 or more and a useful life in excess of one year is capitalized and depreciated over the estimated life of the respective asset on a straight-line basis.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the nature classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services. Personnel expenses are allocated based on time and effort. All other expenses are allocated based on direct allocation.

Prior Period Adjustment

Net assets at December 31, 2023, were restated by (\$2,087) due to adjustments made to receivables and payables as of December 31, 2023. The effect was a decrease in net assets and in the change in net assets of (\$2,087) as of and for the year ended December 31, 2023.

Restricted net assets was restated as of December 31, 2023, for the correction of an error. There was no effect on change in net assets or total net assets as of and for the year ended December 31, 2023.

Notes to Financial Statements
See Independent Accountant's Review Report

Note 3. Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year of the balance sheet date comprise the following:

Cash and cash equivalents	\$ 384,392
Less those unavailable for general expenditure within one year due to donor imposed restrictions	<u>(145,000)</u>
	<u>\$ 239,392</u>

DTW has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. DTW considers general expenditures to be all expenditures related to its ongoing activities of bringing grassroots revitalization to Downtown Wytheville.

To help manage unanticipated liquidity needs, DTW receives funding from local and state agencies, including an annual grant from the Town of Wytheville. DTW also maintains a money market/savings account, in which excess funds are held.

Note 4. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of December 31, 2024:

Downtown investment	\$ 62,500
Resurgence	<u>82,500</u>
	<u>\$ 145,000</u>

Net assets with donor restrictions released to expenses after satisfying restricted purposes during the year ended December 31, 2024:

Downtown investment	\$ 7,500
Grow with Google	67,428
Resurgence	<u>17,500</u>
	<u>\$ 92,428</u>

Note 5. Operating Lease

DTW leases office space for \$1,000 on a month-to-month basis. Rental payments for 2024 totaled \$12,000.

Notes to Financial Statements
See Independent Accountant's Review Report

Note 6. Retirement Benefits

The Executive Director and Assistant Director are full-time employees of the Town of Wytheville, under a MOU with DTW. The Town of Wytheville is a member of the Virginia Retirement System (VRS). Full-time employees of the Town of Wytheville are required to enroll in VRS and receive all benefits offered by VRS. This benefit is at a cost of 5% to the employee.

Employer contribution rates are established by VRS. From January 1, 2024 to June 30, 2024, the Town of Wytheville was required to contribute 12.86% to VRS for all full-time employees. Effective July 1, 2024, this contribution rate was 11.43%. For fiscal year 2024, the Town of Wytheville contributed a total of \$13,876, on behalf of the Executive Director, which was then paid by DTW pursuant to the MOU with the Town of Wytheville.

Note 7. Subsequent Events

In preparing these financial statements, DTW evaluated events and transactions for potential recognition or disclosure through July 14, 2025, the date the financial statements were available to be issued and concluded that no subsequent events require recognition or disclosure in the financial statements.