

**LAKE MARTIN AREA UNITED WAY, INC.
ALEXANDER CITY, ALABAMA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

**DON WALLACE, CPA, PC
CERTIFIED PUBLIC ACCOUNTANT
NORTHPORT, ALABAMA**

Lake Martin Area United Way, Inc.
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**DON WALLACE, CPA, PC
527 MAIN AVENUE, SUITE G
NORTHPORT, ALABAMA 35476**

October 10, 2025

Independent Auditor's Report

To the Board of Directors of
Lake Martin Area United Way, Inc.
Alexander City, Alabama

Opinions

We have audited the accompanying financial statements of the Lake Martin Area United Way, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lake Martin Area United Way, Inc. as of December 31, 2024, 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 Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake Martin Area United Way, 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 opinions.

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 Lake Martin Area United Way, 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 opinions. 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 the organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information presented on page 15 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.

Don Wallace CPA

Don Wallace, CPA, PC
Certified Public Accountant

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ALABAMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANT

Lake Martin Area United Way, Inc.
Statement of Financial Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 550,501
Investments	1,358,679
Pledges receivable, net	275,022
Other receivables	5,200
Land, building, and equipment, net	<u>230,705</u>
Total Assets	<u>2,420,107</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,559
Payroll taxes payable	3,039
Unearned rent	<u>5,200</u>
Total Liabilities	<u>10,798</u>

Net Assets

Without donor restrictions	2,052,285
With donor restrictions	<u>357,024</u>
Total Net Assets	<u>2,409,309</u>

Total Liabilities and Net Assets	<u>2,420,108</u>
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Lake Martin Area United Way, Inc.
Statement of Activities
Year Ended December 31, 2024

<u>SUPPORT & REVENUES</u>	<u>Without Restriction</u>	<u>With Restriction</u>	<u>TOTAL</u>
Revenues			
Public support:			
Campaign pledges and contributions	\$ 329,813	\$ 378,104	\$ 707,917
Less: allowance for uncollectable pledges	0	-5,241	-5,241
	<u>329,813</u>	<u>372,863</u>	<u>702,676</u>
Fundraising activities, net \$3,501	4,299	0	4,299
Tornado relief contributions and grants	0	776	776
Total Public Support	<u>334,112</u>	<u>373,639</u>	<u>707,751</u>
Other revenue			
Return on investments	218,065	0	218,065
Building rental	28,170	0	28,170
Other program activities	19,387	0	19,387
Other income	2,182	0	2,182
Total other revenue	<u>267,804</u>	<u>0</u>	<u>267,804</u>
Net assets released from restrictions	<u>245,710</u>	<u>-245,710</u>	<u>0</u>
Total revenues	<u>847,626</u>	<u>127,929</u>	<u>975,555</u>
Expenses			
Program Services			
Agency support	301,600	0	301,600
Tornado relief	0	26,910	26,910
Other program expenses	136,224	0	136,224
Total Program Services	<u>437,824</u>	<u>26,910</u>	<u>464,734</u>
General and administration	80,548	0	80,548
Fund raising	50,339	0	50,339
Total Support Services	<u>130,887</u>	<u>0</u>	<u>130,887</u>
Total Program and Support Services Expenses	<u>568,711</u>	<u>26,910</u>	<u>595,621</u>
Change in net assets	278,915	101,019	379,934
Net assets- Beginning	<u>1,773,370</u>	<u>256,005</u>	<u>2,029,375</u>
Net assets- Ending	<u>2,052,285</u>	<u>357,024</u>	<u>2,409,309</u>

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

Lake Martin Area United Way, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management & General	Campaign & Fundraising	Total
Distribution to agencies	\$ 301,600	\$ 0	\$ 0	\$ 301,600
Personnel:				
Salaries	36,938	18,469	36,938	92,345
Payroll taxes	2,856	1,427	2,856	7,139
Benefits	4,343	2,171	4,343	10,857
Total Salaries and benefits	44,137	22,067	44,137	110,341
Other Expenses:				
Program activities	31,813	0	0	31,813
Bad debt expense	0	10,557	0	10,557
Rent	6,075	2,025	0	8,100
Depreciation	18,073	6,024	0	24,097
Dues and subscriptions	1,019	7,098	0	8,117
Insurance	6,502	2,167	0	8,669
Office expense	1,562	6,312	900	8,774
Contract services & fees	3,355	1,118	4,987	9,460
Repairs and maintenance	9,896	3,298	0	13,194
Travel and meals	3,856	1,285	0	5,141
Utilities and internet	9,936	3,312	315	13,563
Investment management	0	15,104	0	15,104
Other expenses	0	181	0	181
Total Other Expenses	92,087	58,481	6,202	156,770
Total without restriction	437,824	80,548	50,339	568,711
Restricted: Tornado relief	26,910	0	0	26,910
Total Functional Expenses	464,734	80,548	50,339	595,621

Lake Martin Area United Way, Inc.
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities	
Change in Net Assets	\$ 379,934
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	24,097
Changes in operating assets and liabilities:	
(Increase) Decrease in pledges receivable	-152,714
Increase (Decrease) in accounts payable	-74,153
Increase (Decrease) in payroll liabilities	<u>-766</u>
Net Cash provided by Operating Activities	<u>176,398</u>
Cash Flows from Investing Activities	
Purchase of property, plant and equipment	-45,116
Changes in investments	<u>-52,947</u>
Net Cash provided by (used by) Investing Activities	<u>-98,063</u>
Net Increase in cash	78,335
Cash at the beginning of the year	<u>472,166</u>
Cash at the end of year	<u>\$ 550,501</u>

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

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE A NATURE OF ORGANIZATION

The Lake Martin Area United Way, Inc., (the Organization) was organized in 1984 as a non-profit corporation. Its principal program includes the conducting of annual fund-raising campaigns to raise support for allocation to participating agencies in the subsequent year. The Organization is governed by a volunteer Board of Directors. While the Organization is an affiliate of United Way Worldwide, it operates as an autonomous organization.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions.

Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and notes to the financial statements. Actual results could differ from those estimates. The primary estimates used in the preparation of financial statements include the collectability of pledges receivables and the allocation of functional expenses among functional categories.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable consist of amounts due from individuals, companies, and their employees for the charitable giving campaigns. The organization uses the allowance method to recognize uncollectible pledges and other receivables. The Organization estimates uncollectible accounts based on historical actual bad debts and records a provision for uncollectible pledges and other receivables based on this estimate.

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are reported at fair value based on quoted market prices at the reporting dates in the statements of financial position. Unrealized and realized gains and losses are included in investment return in the statements of activities.

Property and Equipment

Property and equipment purchased by the organization are recorded at cost. Donated assets are recorded at their estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are thirty years for buildings and three to ten years for other assets. When assets are sold or otherwise disposed of, the asset and related depreciation are removed from the accounts and any remaining gain or loss is included in the statements of activities. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue- Pledges and Contributions

Lake Martin Area United Way's primary source of revenue consists of contributions and pledges from an annual fundraising campaign each year. The Organization has the responsibility for collecting the pledges and distributing proceeds to the local non-profit organizations.

Contributions received are recorded as "without donor restrictions" and "with donor restrictions" support depending on the existence or nature of any donor restrictions. Contributions received in the year prior to the year in which they are to be allocated are reported as with donor restriction and are then reclassified to without donor restrictions net assets upon expiration of the time restriction. Support that is restricted by the donor is reported as an increase in without donor restrictions net assets if the restriction expires in the same reporting period in which the support was received. Support that is restricted by the donor for a specific program or time period is reported as an increase in with donor restrictions net assets if the restriction expires in a later reporting period. Amounts are reclassified or released upon satisfaction of the donor restrictions.

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Instruments and Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and investments held at creditworthy financial institutions. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the Organization's investment holdings and the amounts reported on the statements of financial position.

Functional Expenses

Direct expenses, which can be clearly defined as incurred for a specific program are charged to that program. Natural expenses attributable to more than one functional expense category are allocated using a reasonable cost allocation method. Salaries and related employee benefits have been allocated to programs and services based on estimated time and effort. Other expenses are allocated based on estimates of usage; 75% program services and 25% management & general.

NOTE C CASH AND CASH EQUIVALENTS

The Federal Deposit Insurance Corporation insures account balances that do not exceed \$250,000. As of December 31, 2024, the Lake Martin Area United Way, Inc. had no uninsured balances with banking institutions. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

NOTE D PLEDGES RECEIVABLE

Pledges receivable consist of amounts pledged during the annual campaign for the following year and carry forwards from the prior year.

Pledges receivable and changes in the allowance for uncollectible pledges during the years ended December 31, 2024 are summarized as follows:

	<u>2024</u>
Total pledge receivables	280,263
Allowance for uncollectible accounts	<u>-5,241</u>
Pledges receivable- net	<u>275,022</u>

Pledges receivable are due within the following year. Bad debt expense related to the pledge receivables totaled \$10,557 based on an analysis of pledges made in the prior year and not collected during 2024.

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE E INVESTMENTS

Investments as of December 31, 2024 are summarized as follows:

	Cost	Fair Value
Unrestricted:		
Equities	\$ 292,924	\$ 528,406
Mutual Funds	448,166	624,023
Owl Rock Core Income Corp.	<u>200,000</u>	<u>206,250</u>
	<u>941,090</u>	<u>1,358,679</u>

Owl Rock Core Income Corp. is a nontraded business development company that generates income by originating loans to, and making debt investments in, U.S. middle market companies. The Organization's investment fund also includes \$195,606 in FDIC insured Stifel accounts, included in cash and cash equivalents.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2024:

	<u>Unrestricted</u>
Interest and dividends	\$ 46,475
Net realized gain (loss)	38,544
Unrealized gain (loss)	133,046
Management fees	<u>-15,104</u>
Total Investment Return	<u>202,961</u>

NOTE F FAIR VALUE MEASUREMENTS

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category with the fair value hierarchy is as follows:

Level 1 - Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur at a sufficient frequency and volume to provide pricing information on an ongoing basis.

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE F FAIR VALUE MEASUREMENTS – CONTINUED

Level 2 – Valuation based on inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for identical or similar assets or liabilities in markets that are not active, markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 – Valuation based on inputs that are unobservable for an asset or liability to the extent that observable inputs are not available.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

Marketable Securities and Mutual Funds: Shares held in marketable securities and mutual funds traded on national securities exchanges are valued at the net asset value (“NAV”) of shares held by the Organization at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities then divided by the number of shares outstanding (Level 1).

Owl Rock Core Income Corp: The shares of this investment is an externally managed. Closed-end, non-diversified investment company that has elected to be regulated as a business development company (BDC) under the Investment Company Act of 1940. The valuation of the shares is calculated by the BDC monthly. There are restrictions on selling the security. These factors have caused the classification to be a Level 3.

A summary of investments by input level as of December 31, 2024 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities	528,406	0	0	528,406
Mutual Funds	624,023	0	0	624,023
Owl Rock Core Income Corp.	0	0	206,250	206,250
	<u>1,152,429</u>	<u>0</u>	<u>206,250</u>	<u>1,358,679</u>

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Notes to Financial Statements
Year Ended December 31, 2024

NOTE G LAND, BUILDINGS AND EQUIPMENT

The following is a summary of changes in property and equipment for 2024:

	Balance <u>1/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/24</u>
Land	\$ 10,000	0	0	\$ 10,000
Building	496,073	45,117	0	541,190
Furniture and equipment	<u>20,479</u>	<u>0</u>	<u>0</u>	<u>20,479</u>
	526,552	45,117	0	571,669
Less: Accumulated Depreciation	<u>-316,867</u>	<u>-24,097</u>	<u>0</u>	<u>-340,964</u>
Land, Buildings, and Equipment, net	<u>\$209,685</u>	<u>21,020</u>	<u>0</u>	<u>\$ 230,705</u>

Depreciation expense for 2024 was \$24,097.

NOTE H RENTAL INCOME

Lake Martin Area United Way rents part of its building in Alexander City to other not-for-profit organizations and other entities. For 2024, rental income was \$28,170. Rental expenses were \$8,100. Rental agreements are on a year-to-year basis.

NOTE I RETIREMENT PLAN

The Lake Martin Area United Way has established a defined contribution pension plan for the benefit of all of its employees. Under the plan a contribution of 10% is made to account of each eligible individual employee based on annual compensation levels. An employee must be over age 21 and have one year of service with the Lake Martin Area United Way, Inc. before they can participate in the plan. Total pension expense for 2024 was \$9,137.

NOTE J INCOME TAXES

The Lake Martin Area United Way, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for income tax has been included in these financial statements.

Lake Martin Area United Way, Inc. has analyzed its tax positions taken for filings with the Internal Revenue Service. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the financial condition, results of operations, or cash flows. The organization's tax returns are generally subject to examination by the Internal Revenue Service for a period of three years from the date filed.

**SUPPLEMENTAL
INFORMATION**

Lake Martin Area United Way, Inc.
Alexander City, Alabama
Schedule of Allocations
Year Ended December 31, 2024

	<u>First</u> <u>Quarter</u>	<u>Second</u> <u>Quarter</u>	<u>Third</u> <u>Quarter</u>	<u>Fourth</u> <u>Quarter</u>	<u>Total</u>
Alexander City Meals on Wheels	5,750	5,750	5,750	5,750	23,000
Alexander City Rescue Squad	3,750	3,750	3,750	3,750	15,000
American Red Cross	7,500	7,500	7,500	7,500	30,000
ARISE, Inc.	3,750	3,750	3,750	3,750	15,000
Boy Scouts Tukabatchee Council	1,250	1,250	1,250	1,250	5,000
Bridgeways	1,875	1,875	1,875	1,875	7,500
Camp ASCCA/Easter Seals	2,400	2,400	2,400	2,400	9,600
Coosa County Sheriff's Reserve	750	750	750	750	3,000
DARE- Alexander City	2,000	2,000	2,000	2,000	8,000
DARE- Tallapoosa County	1,750	1,750	1,750	1,750	7,000
Domestic Violence Intervention Center	3,000	3,000	3,000	3,000	12,000
Empowered to Conquer	2,500	2,500	2,500	2,500	10,000
Food Bank of East Alabama	2,500	2,500	2,500	2,500	10,000
Girl Scouts of Southern Alabama	1,250	1,250	1,250	1,250	5,000
Head Start- Chambers/Tallapoosa	1,625	1,625	1,625	1,625	6,500
Lake Martin Trailblazers	3,250	3,250	3,250	3,250	13,000
Rape Counselors of East Alabama	1,750	1,750	1,750	1,750	7,000
Sav-A-Life	1,000	1,000	1,000	1,000	4,000
Tallapoosa Aid to People- Tallapoosa/Coosa	7,500	7,500	7,500	7,500	30,000
Tallapoosa Co. Sheriff's Girls Ranch	3,500	3,500	3,500	3,500	14,000
TCR Child Care Corp	375	375	375	375	1,500
The Learning Tree	1,875	1,875	1,875	1,875	7,500
The Lighthouse of Tallapoosa Co. Inc.	1,625	1,625	1,625	1,625	6,500
The Salvation Army	3,250	3,250	3,250	3,250	13,000
Tri-County Children's Advocacy Ctr.	6,000	6,000	6,000	6,000	24,000
Volunteer Connections of Central Al	<u>3,625</u>	<u>3,625</u>	<u>3,625</u>	<u>3,625</u>	<u>14,500</u>
	<u>\$75,400</u>	<u>75,400</u>	<u>75,400</u>	<u>75,400</u>	<u>301,600</u>

Audit Exit Memo

Lake Martin Area United Way, Inc.

2024 Audit

1. Net assets and cash balances increased during the year, and bank accounts were reconciled for the audit.
2. No significant discrepancies or errors were noted during the test of transactions.
3. Payroll taxes for the current year appeared to be calculated and remitted timely. However, an audit adjustment of \$16,666.19 was made to reclassify payroll tax payments recorded in expenses that should have been made to offset liabilities.
4. An adjustment of \$71,029.75 was recorded per audit for 2025 contributions received and coded to contributions income during the year. This additional amount should be reclassified to contributions in the ledger for 2025.
5. Other audit adjustments included \$45,116 in building improvements capitalized per audit, management fees of \$18,129.36 related to Owl Rock investments, additional bad debt expenses per analysis and additional depreciation charges per the revised depreciation schedule.

There are other items we may have also discussed with you and/or the staff, but the items above would include most of the major areas we discussed. We are working on finalizing the printed audit report. Please call me if you have any questions. Don

DON WALLACE, CPA, PC
527 MAIN AVENUE, SUITE G
NORTHPORT, AL 35476

October 10, 2025

To the Director and Board
Lake Martin Area United Way, Inc.
P O Box 876
Alexander City, AL 35011

We have audited the financial statements of Lake Martin Area United Way, Inc, for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no material transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Organization's financial statements were:

Management's estimate of depreciation expense is based on the schedules maintained for management as determined by cost and management's expectation for useful life, and the estimate for Allowance for Uncollectable Pledges based on an analysis of outstanding receivables.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The primary adjustments consisted of capitalized building improvements, reclassification of payroll liability payments, deferred contributions, allowance for uncollectable pledges and management fees related to Owl Rock investments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated effective October 10, 2025.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Don Wallace CPA

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