United Way

United Way of Roanoke Valley

Financial Report

(In Accordance with the Requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)

June 30, 2024

BROWN EDWARDS
certified public accountants

United Way of Roanoke Valley Inc.

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BROWNEDWARDS
certified public accountants

Independent Auditor's Report

To the Board of Directors
United Way of Roanoke Valley, Inc.
Roanoke, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Roanoke Valley, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Roanoke Valley, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2025, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Christiansburg, Virginia
January 24, 2025

Financial Statements

United Way of Roanoke Valley, Inc.

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,775,307	$ 2,503,636
Certificates of deposit	110,609	109,338
Pledges receivable, net (Note 2)	402,131	359,647
Other current assets	693,674	994,164
Total current assets	3,981,721	3,966,785
PROPERTY AND EQUIPMENT, net (Note 3)	592,266	546,121
PLANNED GIFTS (Note 4)		
Beneficial interest in perpetual trusts	2,061,909	1,915,632
Investment in Foundation for Roanoke Valley	888,082	820,925
Investments	403,349	368,760
Total planned gifts	3,353,340	3,105,317
RIGHT-OF-USE ASSET	9,003	17,181
Total assets	**$ 7,936,330**	**$ 7,635,404**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 541,741	$ 510,626
Deferred revenue	301,500	43,312
Designations payable	274,457	195,212
Allocations payable	309,500	309,500
	1,427,198	1,058,650
LEASE LIABILITY	9,003	17,181
Total liabilities	1,436,201	1,075,831
NET ASSETS		
Without donor restrictions		
Operating	1,868,164	2,112,545
Planned gifts	1,249,207	1,185,870
Land, building, and equipment	592,266	546,121
Total without donor restrictions	3,709,637	3,844,536
With donor restrictions (Note 5)	2,790,492	2,715,037
Total net assets	6,500,129	6,559,573
Total liabilities and net assets	**$ 7,936,330**	**$ 7,635,404**

United Way of Roanoke Valley, Inc.

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CAMPAIGNS AND OTHER REVENUE			
Campaign results			
2022 annual campaign	$ 1,438,935	$ (1,411,186)	$ 27,749
Less designations	(170,080)	205,686	35,606
Less allowance for uncollected pledges	(72,381)	120,000	47,619
Net 2022 campaign revenues	1,196,474	(1,085,500)	110,974
2023 annual campaign	-	1,441,725	1,441,725
Less 2023 – 2024 allocations	-	(309,500)	(309,500)
Less designations	-	(129,365)	(129,365)
Less allowance for uncollected pledges	-	(120,000)	(120,000)
Net 2023 campaign revenues	-	882,860	882,860
Net campaign revenues	1,196,474	(202,640)	993,834
Other revenue			
Gain on planned gifts	101,746	146,277	248,023
Investments and miscellaneous income from operating assets	230,341	-	230,341
Pledge processing fees	4,896	-	4,896
Community initiatives	4,182,156	-	4,182,156
Contributions of nonfinancial assets	98,950	-	98,950
Net assets released from restrictions	139,173	(139,173)	-
Total other revenue	4,757,262	7,104	4,764,366
Total net campaign and other revenue	5,953,736	(195,536)	5,758,200
ALLOCATIONS			
Allocations to partner agencies			
All distributions to agencies	498,205	(270,991)	227,214
Less distributions funded through contributor designations	(170,080)	-	(170,080)
Total allocations to partner agencies	328,125	(270,991)	57,134
EXPENSES			
Program expenses			
Community initiatives	4,211,732	-	4,211,732
Community impact	349,181	-	349,181
Total program expenses	4,560,913	-	4,560,913
Support expenses			
Management and general	695,359	-	695,359
Fundraising	454,480	-	454,480
Payments to affiliated organizations	49,758	-	49,758
Total support expenses	1,199,597	-	1,199,597
Total expenses	5,760,510	-	5,760,510
CHANGE IN NET ASSETS	(134,899)	75,455	(59,444)
NET ASSETS			
Beginning	3,844,536	2,715,037	6,559,573
Ending	**$ 3,709,637**	**$ 2,790,492**	**$ 6,500,129**

The Notes to Financial Statements are an integral part of these statements.

United Way of Roanoke Valley, Inc.

Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
CAMPAIGNS AND OTHER REVENUE			
Campaign results			
2021 annual campaign	$ 1,852,422	$ (1,882,934)	$ (30,512)
Less designations	(336,145)	328,220	(7,925)
Less allowance for uncollected pledges	(98,147)	120,000	21,853
Net 2021 campaign revenues	1,418,130	(1,434,714)	(16,584)
2022 annual campaign	-	1,411,186	1,411,186
Less 2022 – 2023 allocations	-	(309,500)	(309,500)
Less designations	-	(205,686)	(205,686)
Less allowance for uncollected pledges	-	(120,000)	(120,000)
Net 2022 campaign revenues	-	776,000	776,000
Net campaign revenues	1,418,130	(658,714)	759,416
Other revenue			
Gain on planned gifts	48,324	73,004	121,328
Investments and miscellaneous income from operating assets	215,600	-	215,600
Pledge processing fees	7,399	-	7,399
Community initiatives	3,904,358	-	3,904,358
Net assets released from restrictions	41,000	(41,000)	-
Total other revenue	4,216,681	32,004	4,248,685
Total net campaign and other revenue	5,634,811	(626,710)	5,008,101
ALLOCATIONS			
Allocations to partner agencies			
All distributions to agencies	690,358	(379,136)	311,222
Less distributions funded through contributor designations	(336,145)	-	(336,145)
Total allocations to partner agencies	354,213	(379,136)	(24,923)
EXPENSES			
Program expenses			
Community initiatives	3,809,685	-	3,809,685
Community impact	346,358	-	346,358
Total program expenses	4,156,043	-	4,156,043
Support expenses			
Management and general	544,219	-	544,219
Fundraising	401,347	-	401,347
Payments to affiliated organizations	40,626	-	40,626
Total support expenses	986,192	-	986,192
Total expenses	5,142,235	-	5,142,235
CHANGE IN NET ASSETS	138,363	(247,574)	(109,211)
NET ASSETS			
Beginning	3,706,173	2,962,611	6,668,784
Ending	**$ 3,844,536**	**$ 2,715,037**	**$ 6,559,573**

United Way of Roanoke Valley, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services		Support Expenses			
	Community Initiatives	**Community Impact**	**Management and General**	**Fund Raising**	**Other**	**Total Expenses**
Salaries	$ 1,015,827	$ 176,463	$ 451,718	$ 238,464	$ -	$ 1,882,472
Employee benefits and taxes	262,742	47,090	128,948	59,305	-	498,085
Contract labor	274,849	300	-	21,148	-	296,297
Total salaries and related expenses	1,553,418	223,853	580,666	318,917	-	2,676,854
Occupancy	14,700	25,854	7,187	15,549	-	63,290
Printing and publications	18,859	9,192	3,750	14,727	-	46,528
Repairs and maintenance	422	16,644	12,699	9,574	-	39,339
Supplies	2,387,124	28,923	5,608	44,648	-	2,466,303
Conferences, meetings, and travel	71,141	307	1,945	4,691	-	78,084
Staff training	10,311	230	302	1,648	-	12,491
Postage	237	4,283	781	6,148	-	11,449
Telecommunications	13,117	12,960	13,623	13,588	-	53,288
Professional fees	-	13,121	10,228	7,441	-	30,790
Dues and subscriptions	294	2,161	560	1,683	-	4,698
Depreciation	-	-	54,332	-	-	54,332
Miscellaneous	2,936	11,653	3,678	15,866	-	34,133
Payments to affiliated organizations	-	-	-	-	49,758	49,758
Project funding	139,173	-	-	-	-	139,173
	$ 4,211,732	**$ 349,181**	**$ 695,359**	**$ 454,480**	**$ 49,758**	**$ 5,760,510**

United Way of Roanoke Valley, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services		Support Expenses			
	Community Initiatives	**Community Impact**	**Management and General**	**Fund Raising**	**Other**	**Total Expenses**
Salaries	$ 1,010,499	$ 165,111	$ 377,652	$ 267,000	$ -	$ 1,820,262
Employee benefits and taxes	260,757	42,229	109,447	58,835	-	471,268
Contract labor	259,773	750	90	20,091	-	280,704
Total salaries and related expenses	1,531,029	208,090	487,189	345,926	-	2,572,234
Occupancy	36,690	25,456	789	5,261	-	68,196
Printing and publications	123,450	21,124	3,204	10,727	-	158,505
Repairs and maintenance	16,609	25,950	8,120	4,404	-	55,083
Supplies	1,920,294	22,407	(17,399)	5,606	-	1,930,908
Conferences, meetings, and travel	64,432	985	4,211	5,594	-	75,222
Staff training	17,782	1,134	(3,812)	3,285	-	18,389
Postage	1,824	5,025	421	4,661	-	11,931
Telecommunications	33,144	14,836	9,531	10,421	-	67,932
Professional fees	7,859	12,645	558	1,822	-	22,884
Dues and subscriptions	80	204	996	1,461	-	2,741
Depreciation	-	-	56,291	-	-	56,291
Miscellaneous	15,492	8,502	(5,880)	2,179	-	20,293
Payments to affiliated organizations	-	-	-	-	40,626	40,626
Project funding	41,000	-	-	-	-	41,000
	$ 3,809,685	**$ 346,358**	**$ 544,219**	**$ 401,347**	**$ 40,626**	**$ 5,142,235**

United Way of Roanoke Valley, Inc.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	$ (59,444)	$ (109,211)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	54,332	56,291
Gain on planned gifts	(248,023)	(121,328)
Change in assets and liabilities		
Increase (decrease) in:		
Pledges receivable	(42,484)	119,967
Other current assets	300,490	(184,070)
Increase (decrease) in:		
Accounts payable and accrued expenses	31,115	66,515
Deferred revenue	258,188	(8,632)
Designations payable	79,245	(2,441)
Net cash provided by (used in) operating activities	373,419	(182,909)
INVESTING ACTIVITIES		
Purchase of property and equipment	(100,473)	(26,190)
Change in certificates of deposit	(1,271)	(176)
Net cash used in investing activities	(101,744)	(26,366)
Increase (decrease) in cash and cash equivalents	271,671	(209,275)
CASH AND CASH EQUIVALENTS		
Beginning	2,503,636	2,712,911
Ending	**$ 2,775,307**	**$ 2,503,636**

Note 1 – Organization and Significant Accounting Policies

Organization

The United Way of Roanoke Valley, Inc. (the "Organization") is a nonprofit organization that advances the common good by mobilizing the caring power of people in the Roanoke Valley and serves Roanoke, Salem, Vinton, and the counties of Botetourt, Craig, and Roanoke. In October 2017, United Way of Franklin County and United Way of Roanoke Valley regionalized operations and the Organization now also serves Franklin County. The Organization engages and mobilizes local businesses, nonprofits, and individuals to raise funds and invest in high quality human service programs that improve lives and strengthen our community. The Organization mobilizes the support of over a thousand volunteers to LIVE UNITED in the Roanoke Valley. Volunteers participate in a variety of ways to bring lasting positive change.

Basis of Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are amounts currently available for use in the Organization's operations.

Net assets with donor restrictions are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Organization pursuant to those stipulations. Net assets with donor restrictions also include amounts required by donors to be held in perpetuity; however, the income on these assets is available to meet various restricted and other operating needs.

Accounting Standards Adopted in the Current Year

Effective January 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to ASU 2016-13 include accounts receivable. The adoption of this ASU did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid investments purchased with an initial maturity of three months or fewer to be cash equivalents.

Cash is held in banks located in Virginia and is insured by the Federal Deposit Insurance Corporation (FDIC). At times, the balance in these accounts may be in excess of federally insured limits. The Organization's management believes that there is no significant risk with respect to these deposits.

Certificates of Deposit

Certificates of deposit have original maturity dates ranging from 12 to 48 months.

Contributions Received and Pledges Receivable

Contributions, including unconditional promises to give or pledges receivable, are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions, when the donor's commitment is received.

Conditional promises to give are not recognized until they become unconditional – i.e., when the conditions on which they depend are substantially met. Contributions of certain assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. If necessary, an allowance for uncollectible pledges receivable is provided based upon management's judgment.

Property and Equipment

Purchases of property and equipment in excess of $500 are capitalized at cost. Property and equipment are carried at cost, or if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Equipment	5 – 10 years
Building	30 years

Deferred Revenue

Deferred revenue at June 30, 2024 and 2023 consisted of grant funds received but not expended in the current year.

Campaign and Allocations

The 2021 annual campaign was to fund the July 2022 to June 2023 allocations to agencies. The 2022 annual campaign is to fund the July 2023 to June 2024 allocations to agencies. Campaign contributions received for the subsequent years' allocations are recorded as net assets with donor restrictions in the year of receipt net of designations and an allowance for uncollected pledges. In addition, campaign contributions received for the subsequent year are reduced by the amount of allocations accrued for the subsequent period. These accrued amounts are included on the statements of financial position as allocations payable.

Expense Allocation – Functional Expenses

In the accompanying statements of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses were allocated among the functional categories on the basis of specific identification and estimates of time spent and benefits derived.

Income Taxes

The Organization is exempt from income taxes under *Internal Revenue Code* Section 501(c)(3).

Estimates

Management uses estimates and assumptions in preparing financial statements. 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. Actual results could differ from those estimates.

Subsequent Events

Subsequent events were considered through January 24, 2025, the date the financials were available to be issued.

Note 2 – Pledges Receivable

Pledges receivable were classified as follows:

	2024	2023
Pledges (expected to be collected within one year)	$ 522,131	$ 479,647
Less allowance	(120,000)	(120,000)
	$ 402,131	**$ 359,647**

All pledges receivable were classified as net assets with donor restrictions at June 30, 2024 and 2023.

Note 3 – Property and Equipment

Property and equipment at June 30 consisted of the following:

	2024	2023
Land	$ 44,500	$ 44,500
Land for sale	100,000	-
Building	1,061,483	1,061,483
Equipment	370,981	369,453
Art collection	7,446	8,497
	1,584,410	1,483,933
Less accumulated depreciation	(992,144)	(937,812)
	$ 592,266	**$ 546,121**

Note 4 – Planned Gifts

Beneficial Interest in Perpetual Trusts

The Organization is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on trust assets in perpetuity. The fair value of the beneficial interest in a trust is recognized as an asset and as a net asset with donor restrictions contribution at the date the trust is established. The Organization's estimated fair value at each reporting date is based on fair value information received from trustees. Trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds, and equity securities. These assets are not subject to control or direction by the Organization. Gains and losses on investments, which are not distributed by the trusts, are included in other revenue on the statements of activities.

Investment in Foundation for Roanoke Valley

The Foundation for Roanoke Valley (the "Foundation") is a community foundation trust established to receive and administer funds for various charitable organizations in the Roanoke Valley. The Organization's investment in the Foundation is stated at fair market value. The Foundation's portfolio consists mainly of equities and fixed income investments that are carried at fair value based on quoted prices in active markets.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

The fair values of investment securities at June 30 were as follows:

	2024	2023
Money market	$ 127,807	$ 120,224
Marketable equity securities	236,282	208,713
Bond mutual funds	32,455	33,121
Equity mutual funds	6,805	6,702
	$ 403,349	**$ 368,760**

Note 5 – Net Assets with Donor Restrictions

Donor-restricted net assets for specific purposes and time are classified as follows:

	2024	2023
Net 2022 campaign revenue	$ -	$ 795,589
Net 2023 campaign revenue	781,901	-
	$ 781,901	**$ 795,589**

Donor-restricted net assets held in perpetuity are classified as follows:

	2024	2023
Beneficial interest in perpetual trusts	$ 2,061,909	$ 1,915,632
Investment in Foundation for Roanoke Valley	3,816	3,816
	$ 2,065,725	**$ 1,919,448**
Total net assets with donor restrictions	**$ 2,847,626**	**$ 2,715,037**

Note 6 – Nonfinancial Contributions

Nonfinancial Contributions received by the Organization of the following for the years ended June 30:

	2024	2023
Donated services	$ 98,950	$ -

Donated Services

Certain donors provide services for the Organization. The value of these services are based on either fair market values if they had been otherwise purchased or information provided by the donor regarding market value. The donated cost of these services are included in expense accounts on the statement of functional expenses.

Note 7 – Retirement Plan

The Organization has a defined contribution plan covering all employees having at least one year of service. Under this plan, the employer shall contribute on behalf of each participant an amount equal to 7.5% of the participant's annual compensation. Total contributions to the plan for the years ended June 30, 2024 and 2023 were $122,910 and $117,056, respectively.

Note 8 – Donated Services

The Organization has a substantial number of volunteers who have donated significant amounts of their time in the Organization's program services and fundraising campaigns. In accordance with accounting principles generally accepted in the United States of America, no amounts have been reflected on the financial statements for these services.

Note 9 – Emergency Food and Shelter Board

The Emergency Food and Shelter Board was established on March 24, 1983, with the signing of the "Job Stimulus Bill," Public Law 98-8. This legislation created a national board which distributes federal funds through local boards to nonprofit organizations for the purpose of extending ongoing emergency food and shelter programs. The Organization provides administrative support to the local Emergency Food and Shelter Board. In accordance with program guidelines, local boards can allocate up to 2% of the total funds awarded to a jurisdiction for administrative purposes. Administrative fees allocated were $1,069 and $1,526 for June 30, 2024 and 2023, respectively. A total of $47,398 and $70,028 in federal funds were distributed in the Roanoke Valley for the years ended June 30, 2024 and 2023, respectively.

Note 10 – Line of Credit

The Organization opened a $370,000 revolving line of credit on March 14, 2024, with a bank for operating purposes bearing interest at a variable rate (8.5% at June 30, 2024) and is due on demand. As of June 30, 2024, there was no outstanding balance on the line of credit.

Note 11 – Fair Value Measurement

The Organization has adopted accounting standards which establish 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 – Inputs to the valuation methodology are based on unadjusted quoted prices for identical instruments in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for similar or identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the overall fair value measurement.

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 are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	June 30, 2024		
	Fair Value	**Level 1**	**Level 2**
Money market	$ 127,807	$ 127,807	$ -
Marketable equity securities	236,282	236,282	-
Bond mutual funds	32,455	32,455	-
Equity mutual funds	6,805	6,805	-
Beneficial interest in perpetual trusts	2,061,909	-	2,061,909
Investment in Foundation for Roanoke Valley	888,082	-	888,082
	$ 3,353,340	**$ 403,349**	**$ 2,949,991**

	June 30, 2023		
	Fair Value	**Level 1**	**Level 2**
Money market	$ 120,224	$ 120,224	$ -
Marketable equity securities	208,713	208,713	-
Bond mutual funds	33,121	33,121	-
Equity mutual funds	6,702	6,702	-
Beneficial interest in perpetual trusts	1,915,632	-	1,915,632
Investment in Foundation for Roanoke Valley	820,925	-	820,925
	$ 3,105,317	**$ 368,760**	**$ 2,736,557**

Note 12 – Related Parties

The Organization's Board of Directors includes the following related parties:

- A board member for Gentry Locke who reviewed the employee handbook.
- A board member works for Atlantic Union Bank (formerly American National) where deposit accounts are held in the amount $488,028 and $466,146, at June 30, 2024 and 2023, respectively.
- At June 30, 2024 and 2023, a board member works for Wells Fargo where a deposit account is held in the amount of $54,917 and $54,872, respectively.
- A board member works for Freedom First where two deposit accounts are held in the amount of $253,696.

Note 13 – Financial Assets and Liquidity Resources

As part of the Organization's liquidity management, it invests excess cash in money markets, certificates of deposit, and equity securities. The Organization's Board of Directors has set a policy of maintaining at least three "months in funds" balance, and a maximum of six "months in funds" balance, to be used for liquidity purposes. Additionally, the Organization maintains a $370,000 line of credit, as discussed in more detail in Note 10. As of June 30, 2024, $370,000 remained available on the line of credit, which was opened on March 14, 2024.

As of June 30, financial assets due within one year of the statements of financial position date for general expenditure were as follows:

	2024	2023
Cash and cash equivalents	$ 2,775,307	$ 2,503,636
Pledges receivable, net	402,131	359,647
Investments	403,349	368,760
	3,580,787	3,232,043
Cash restricted for designations and allocations payable	(466,845)	(421,298)
	$ 3,113,942	**$ 2,810,745**

Note 14 – Allocations Payable

The Community Impact Committee, comprised of volunteers, determines how funds are allocated for programming that addresses the identified needs in the community. The committee was responsible for determining how to allocate $500,000 at the end of Fiscal Year 2023. The committee's intent was to allow for flexibility in meeting the needs of the community as it recovered from the COVID-19 pandemic. Therefore, the committee awarded $309,500 to partner organizations as reflected in the allocations payable at June 30, 2024. The remaining $190,500 will be utilized during Fiscal Year 2024 for mental health programs; efforts around Diversity, Equity, and Inclusion; and funds for support staffing for the Community Resources HUB and Black Father Family Initiatives.

Note 15 – Lease Accounting

The Organization leases various equipment and office spaces as part of its operations. The terms of these leases range from 1 to 5 years for operating leases, expiring on various dates from 2024 to 2027. Annual payments under these agreements range from $2,400 to $4,800 for operating leases. Rent expense under these leases amounted to $12,250 for operating leases and $-0- for finance leases for the year ended June 30, 2023. Rent expense under these leases amounted to $9,125 for operating leases and $-0- for finance leases for the year ended June 30, 2022.

The Organization's future minimum payments due under operating leases are as follows:

	Operating Leases	Finance Leases	Total
Year ending June 30,			
2025	$ 3,178	$ -	$ 3,178
2026	3,178	-	3,178
2027	2,647	-	2,647
2028	-	-	-
Thereafter	-	-	-
	$ 9,003	**$ -**	**$ 9,003**

Compliance

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
United Way of Roanoke Valley, Inc.
Roanoke, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Roanoke Valley, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated January 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Christiansburg, Virginia
January 24, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Way of Roanoke Valley, Inc.
Roanoke, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Roanoke Valley, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
January 24, 2025

United Way of Roanoke Valley, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifier	Expenditures
U.S. Department of Health and Human Services			
CCDF Cluster:			
Pass-through from Virginia Early Childhood Foundation Administration for Children		2102VACDC	$ 3,440,715
Pass-through from Childhood Development Resources		2202VACCDD	315,861
Total Childcare and Development Block Grant (CCDF Cluster)	93.575		3,756,576
Pass-through from Virginia Early Childhood Foundation Temporary Assistance for Needy Families (TANF)	93.558	2301VATANF	100,000
Virginia Early Childhood Foundation (DSI) – Maternal and Child Health Services Block Grant	93.994	B0445250	23,206
Early Impact Virginia (DSI) – HIV/AIDS Surveillance	93.944	6B04MC4745200	28,004
West Piedmont Health District – Immunization Cooperative Agreements	93.268	2202VACCDD	266,902
			418,112
Total U.S. Department of Health and Human Services			4,174,688
U.S. Department of the Treasury			
Pass-through from City of Roanoke, Virginia COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		39,255
Total Federal Expenditures			**$ 4,213,943**

Note 1 – Basis of Presentation

This schedule of expenditures of federal awards was prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Indirect Cost Rate

The Organization did not elect to use the 10% de minimis indirect cost rate.

United Way of Roanoke Valley, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

A – Summary of Auditor's Results

1. The auditor's report expresses an **unmodified opinion** on whether the financial statements of United Way of Roanoke Valley, Inc. were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **No significant deficiencies and no material weaknesses** during the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements of United Way of Roanoke Valley, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. **No significant deficiencies and no material weaknesses** in internal control over major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for United Way of Roanoke Valley, Inc. expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings** relating to the major program.
7. The program tested as a major program was the following:

   93.575 CCDF Cluster – Child Care and Development Block Grant

8. The threshold for distinguishing Types A and B programs was **$750,000**.
9. United Way of Roanoke Valley, Inc. was determined to be a **low-risk auditee**.

B – Findings – Financial Statement Audit

None.

C – Findings and Questioned Costs – Major Federal Award Program Audit

None.