



**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC.  
AND SUBSIDIARIES**

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**JUNE 30, 2020**



**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC.  
AND SUBSIDIARIES**

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**June 30, 2020**

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**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**OFFICERS**

Charlotte Moore  
Roanoke, Virginia  
Chairman

Annette Lewis  
Roanoke, Virginia  
President

Craig Balzer  
Roanoke Virginia  
First Vice Chair

Sandra Pratt  
Roanoke, Virginia  
Second Vice Chair

Kevin Lockhart  
Roanoke Virginia  
Treasurer

Brenda Hale  
Roanoke, Virginia  
Secretary

Harriet Woodward  
Covington, Virginia  
Assistant Secretary

W. Lee Wilhelm, III  
Roanoke, Virginia  
Chair Emeritus

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**BOARD OF DIRECTORS**

David Allen (Pinnacle Financial Partners)  
Roanoke, Virginia

Craig Balzer (TVW Board of Commissioners)  
Roanoke, Virginia  
First Vice Chair

Ron D. Boyd (Local Office on Aging, Inc.)  
Roanoke, Virginia

Xena Callaham (Head Start Policy Council)  
Roanoke, Virginia

Lee Clark (Rescue Mission)  
Roanoke, Virginia

Monique Clemont (Homeless Advisory Council)  
Roanoke, Virginia

Joe Cobb (Roanoke City)  
Roanoke, Virginia

Robert Dan Collins (Craig County)  
New Castle, Virginia

Matt Crookshank (Blue Ridge Continuum of Care)  
Roanoke, Virginia

Deneen Evans  
(Radford University School of Social Work)  
Roanoke, Virginia

Jennifer Eversole (RAKE Digital)  
Roanoke, Virginia

Randy Foley (City of Salem)  
Salem, Virginia

Kim Gregory (Head Start Advisory Committee)  
Roanoke Virginia

Brenda Hale (Local Colors)  
Roanoke, Virginia  
Secretary

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**BOARD OF DIRECTORS  
(Continued)**

Mike Heller (Roanoke Branch NAACP)  
Roanoke, Virginia

Michael J. Hertz (Roanoke Bar Association)  
Roanoke, Virginia

Rita Joyce (Susan G. Komen Virginia Blue Ridge Affiliate)  
Roanoke, Virginia

Baraka Kasongo (Family Services of Roanoke Valley)  
Roanoke, Virginia

Kevin Lockhart (Carter Bank and Trust)  
Roanoke, Virginia  
Treasurer

Billy W. Martin, Sr. (Botetourt)  
Blue Ridge, Virginia

Charlotte Moore (Roanoke County)  
Roanoke, Virginia  
Chairman

Paul Nester (RCG Resources)  
Roanoke, Virginia

Sandra Pratt (CCS Nonprofit Resource Center)  
Roanoke, Virginia  
Second Vice Chair

Charles Price (Harrison Museum)  
Roanoke, Virginia

Thomas H. Sibold (Covington)  
Covington, Virginia

Bruce Sigler (Rockbridge County)  
Lexington, Virginia

David Trinkle, M.D. (The Fork Restaurants and Valley Geropsychiatry)  
Roanoke, Virginia

Clarice Walker (Loudon/Melrose Neighborhood)  
Roanoke, Virginia

W. Lee Wilhelm, III  
Roanoke, Virginia  
Chair Emeritus

Harriet Woodward (Alleghany County)  
Covington, Virginia  
Assistant Secretary



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Total Action Against Poverty in the Roanoke Valley, Inc.  
Roanoke, Virginia

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Total Action Against Poverty in the Roanoke Valley, Inc. and Subsidiaries (a nonprofit organization, and hereinafter referred to as the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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*Your Success is Our Focus*



## **Report on the Consolidated Financial Statements (Continued)**

### ***Auditor's Responsibility (Continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Total Action Against Poverty in the Roanoke Valley, Inc. and Subsidiaries as of June 30, 2020, 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.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, beginning net assets have been restated for the correction of an error. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### **Prior Period Consolidated Financial Statements**

The consolidated financial statements of the Organization as of June 30, 2019, were audited by other auditors whose report dated December 16, 2019, expressed an unmodified opinion on those statements.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules on pages 19 through 34 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 May 4, 2021, 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, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Organization's 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

Roanoke, Virginia  
May 4, 2021

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,051,786
Grants receivable	1,087,773
Other receivables	221,477
Notes receivable – current	271,611
Other assets	136,654

Total current assets	2,769,301
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PROPERTY AND EQUIPMENT, net (Note 2)	4,190,537
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**OTHER ASSETS**

Notes receivable	118,475
Notes receivable – related party	968,000

Total other assets	1,086,475
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Total assets	\$ 8,046,313
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**LIABILITIES AND STOCKHOLDER'S EQUITY**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 616,649
Lines of credit (Note 4)	-
Current portion of notes payable (Note 3)	128,524
Annual leave	109,999
Healthcare benefits accrued	60,711
Deferred revenue	610,205
Refundable advance from grantor	488,404

Total current liabilities	2,014,492
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LONG-TERM PORTION OF NOTES PAYABLE (Note 3)	295,077
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Total liabilities	2,309,569
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NET ASSETS WITHOUT DONOR RESTRICTIONS	5,736,744
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Total liabilities and net assets, as restated (Note 1)	\$ 8,046,313
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The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020**

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

**SUPPORT AND REVENUE**

Grants	\$ 19,719,278
USDA	494,440
Program income	56,702
Rental income	198,346
Other earned income	748,241
Local cash (Note 5)	297,755
Contributions	178,993
Interest	7,932
In kind	<u>2,515,556</u>
<b>Total support and revenue</b>	<u>24,217,243</u>

**EXPENSES**

Program services	<u>21,135,824</u>
Supporting services:	
Management and general	1,729,109
Fundraising	<u>569,929</u>
<b>Total supporting services</b>	<u>2,299,038</u>
<b>Total expenses</b>	<u>23,434,862</u>
<b>Change in net assets</b>	782,381

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Beginning, as restated (Note 1)	<u>4,954,363</u>
Ending	<u><u>\$ 5,736,744</u></u>

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries and wages	\$ 8,233,038	\$ 585,009	\$ 311,816	\$ 9,129,863
Payroll taxes and fringe benefits	2,239,318	185,002	112,472	2,536,792
Contractual	3,583,390	253,869	46,538	3,883,797
Travel	775,968	16,839	4,048	796,855
Space	606,127	120,742	25,026	751,895
Supplies	1,628,151	32,320	8,026	1,668,497
Emergency Assistance	154,087	-	-	154,087
Other	1,223,180	92,758	59,392	1,375,330
Depreciation	161,474	205,770	2,426	369,670
In kind	2,515,556	-	-	2,515,556
Operating expense rental property	-	181,605	-	181,605
Interest	15,535	55,195	185	70,915
<b>Total</b>	<b>\$ 21,135,824</b>	<b>\$ 1,729,109</b>	<b>\$ 569,929</b>	<b>\$ 23,434,862</b>

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2020**

**OPERATING ACTIVITIES**

Change in net assets	\$ 782,381
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	369,670
Gain on sale of building	(441,302)
Changes in assets and liabilities:	
(Increase) decrease in:	
Grants receivable	359,547
Other receivables	(75,927)
Other assets	(108,125)
Increase (decrease) in:	
Accounts payable and accrued expenses	(64,140)
Annual leave	86,549
Healthcare benefits accrued	(338,793)
Deferred revenue	450,000
<u>Net cash provided by operating activities</u>	<u>1,019,860</u>

**INVESTING ACTIVITIES**

Purchase of fixed assets	(168,509)
Proceeds from sale of building	608,485
Change in notes receivable, net	61,879
<u>Net cash provided by investing activities</u>	<u>501,855</u>

**FINANCING ACTIVITIES**

Net proceeds from long-term notes payable	126,960
Principal payments on long-term notes payable	(175,683)
Net proceeds (payments) on lines of credit	(449,621)
<u>Net cash used in financing activities</u>	<u>(498,344)</u>
Net increase in cash and cash equivalents	1,023,371

**CASH AND CASH EQUIVALENTS**

Beginning	<u>28,415</u>
Ending	<u>\$ 1,051,786</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash payments for interest	<u>\$ 70,915</u>
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**SUPPLEMENTAL DISCLOSURES OF NONCASH  
FINANCING ACTIVITIES**

Note payable paid from sale of building	<u>\$ 309,551</u>
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The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2020**

**Note 1. Nature of Operations and Significant Accounting Policies**

Nature of operations

Total Action Against Poverty in the Roanoke Valley, Inc. (the “Organization”) is a nonprofit corporation organized to carry out community action programs which are generally funded by grants from local, state and Federal agencies. Such grants usually require compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash or non-cash contributions.

Consolidation policy

The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiaries, TAAP Real Property I, LLC, TAAP Real Property II, LLC, Terrace Management LLC, and TAP Neighborhood Strategies, LLC. All material intra-organization accounts and transactions have been eliminated in consolidation.

The Organization is a general partner and a .01% owner in the limited partnerships of Terrace North, LP and Terrace South, LP. These limited partnerships were formed to maintain and operate two affordable apartment developments, of which all of the dwelling units are being set aside for rental to persons of low income.

Basis of financial statement presentation and accounting

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying financial statements present information regarding the Organization’s consolidated financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported in two classes as follows:

**Net Assets without Donor Restrictions** are net assets available for use in general operations and not subject to donor-imposed restrictions. 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. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Basis of financial statement presentation and accounting (Continued)

**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 includes amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various operating needs.

Prior period adjustment

An error resulting in the understatement of beginning net assets, without donor-restriction was discovered during the current year. In previous years, depreciation for a building was not calculated using the impaired basis resulting in an understatement of beginning net assets, without donor restriction and an overstatement of accumulated depreciation of \$151,582.

Recent accounting pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Organization adopted this guidance effective July 1, 2019. The adoption of ASU 2018-08 did not result in any significant changes to the accounting for any of the Organization's material revenue streams.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Cash equivalents are stated at cost, which approximates market value.

Receivables

Accounts receivable represent amounts for which the Organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2020, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Property and equipment

Property and equipment in excess of \$5,000 are capitalized. Acquisitions are recorded at cost if purchased and at fair value if donated. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Notes receivable

The Organization accounts for its notes receivable at cost and recognizes interest income as it is earned.

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Contributions

Contributions, including unconditional promises to give, are recognized as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor-restrictions, in the period the donor's commitment is received. Unconditional promises to give without donor restrictions are recognized as revenues with donor restrictions unless the donor explicitly stipulates its use to support current period activities.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues without donor restrictions.

The Organization reports gifts of property and equipment as net assets support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

In-kind contributions are recorded at fair market value and recognized as revenue in the accounting period when they are received.

Accrued compensation

The Organization accrues for salaries and all other compensation earned but not paid.

Cost allocation

Cost allocation operates in accordance with a cost allocation plan and indirect cost proposal developed annually. The plan/proposal identifies direct and indirect shared costs and the financial basis for cost sharing. It also identifies various nonfinancial bases for allocating certain costs as direct costs.

Total modified direct costs (excluding capital expenditures, subawards, and flow-through funds) have been selected as the most appropriate base in relation to the kinds of indirect costs incurred. Total direct costs constitute a relatively broad financial base that is quickly determinable and self-adjusting in reflecting changes in cost distributions. The indirect costs include an amount from agencies for which the Organization provides contractual services.

Joint costs are allocated to benefiting programs using an indirect cost rate not to exceed 13% based on direct costs. Joint costs are those costs incurred for the common benefit of all agency programs, but which cannot be readily identified with a final cost objective.

Other cost allocation methods are as follows:

**Personnel** – Agency administrative and financial personnel (executive director, deputy director, finance director, personnel director, etc.) charge their time to a joint cost administrative account for allocation to benefiting programs as noted above (to the extent of available indirect costs based on the cost rate stated above). Programmatic employees working on specific programs are charged directly to the accounts for those programs.

(Continued)



**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Cost allocation (Continued)

**Supplies** – All supplies are charged to the program that benefits from the use of the supplies. For the most part, supplies are not stockpiled but are purchased specifically for use in a particular program.

**Building** – Space costs (rent and maintenance costs) are allocated based on the number of square feet of space each program occupies. Space occupied by administrative staff is allocated based upon the joint cost allocation.

**Insurance** – Insurance is allocated to benefiting programs based primarily on a percentage of payroll.

Income taxes

The Organization is classified as an exempt organization for federal income tax purposes under Section 501(c)(3) of the *Internal Revenue Code*.

Functional allocation of expenses

In the accompanying statement 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.

Use of estimates

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

During 2020, management changed the method of estimating the healthcare benefits accrual resulting in an increase to change in net assets of \$444,000.

Advertising costs

The Organization expenses advertising costs as incurred.

Subsequent events

Management has evaluated subsequent events through May 4, 2021, the date which the consolidated financial statements were available for issue.

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 2. Property and Equipment**

Property and equipment consist of the following:

	<u>Estimated Useful Life</u>	
Building and improvements	10 – 40 years	\$ 6,574,175
Fixtures and equipment	5 – 10 years	1,310,517
Vehicles	5 years	<u>1,280,505</u>
		9,165,197
Less accumulated depreciation		<u>(5,884,708)</u>
		3,280,489
Land		<u>910,048</u>
		<u><u>\$ 4,190,537</u></u>

**Note 3. Debt**

Debt consists of the following:

Note payable to BB&T in monthly installments of \$1,639, including interest at the prime rate plus 1.25% with balloon payment due November 2020. Note is secured by real estate.	\$	50,151
Note payable to BB&T in monthly principle installments of \$3,299, plus interest at 2.95% with balloon payment due May 2023. Note is secured by real estate.		247,504
Note payable to SunTrust Bank in monthly installments of \$1,403, including interest at 4.46%, maturing May 2027. Note is secured by real estate.		99,946
Other		<u>26,000</u>
		423,601
Less: current portion		<u>(128,524)</u>
		<u><u>\$ 295,077</u></u>

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2020**

**Note 3. Debt (Continued)**

Debt matures as follow at June 30:

2021		\$	128,524
2022			52,955
2023			53,564
2024			54,200
2025			54,865
2026			79,493
			423,601
		\$	423,601

**Note 4. Lines of Credit**

The Organization has a line of credit payable on demand in the amount of \$1,000,000 with BB&T. Interest is payable at the bank’s prime rate plus 1% with a minimum rate of 5.25%. The line is secured by the Organization’s assets and had a balance of \$-0- at June 30, 2020.

The Organization also had a construction line of credit of \$320,000 with First Citizens Bank. Interest is payable at the banks price rate and the balance at June 30, 2020 was \$-0-.

**Note 5. Local Government Support**

Local governments within the Organization’s service area provided the following support for various programs:

Alleghany County		\$	5,775
Bath County			4,750
Botetourt County			1,000
City of Lexington			2,000
Covington			6,000
Craig County			365
Roanoke City			160,000
Roanoke County			69,200
Rockbridge County			13,600
Salem			35,065
			297,755
		\$	297,755

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2020**

**Note 6. Pension Plan**

The Organization participates in a retirement and 401(k) Plan for the benefit of its employees. Employees become eligible to participate in the plan on the first day of a new quarter (April 1, July 1, October 1, and January 1) following the completion of three months of services. The plan provides retirement benefits to employees commencing with their normal retirement age of 65. After two years of service, employees become eligible for the Organization's contribution to the plan. The Organization contributed an amount equal to 4% of each participant's compensation for the fiscal year and a 2% match of eligible employees' deferred contributions. During the year ended June 30, 2020, the Organization contributed \$330,979, to the plan, which is included in fringe benefits in the consolidated financial statements.

**Note 7. Related Party Transactions**

The Organization is a general partner and a .01% owner of Terrace North, LP and Terrace South, LP. See Note 1 regarding consolidation policy.

The Organization ceased providing managing services to Terrace North, LP and Terrace South, LP during 2020; therefore, no fees were received.

The Organization has notes receivable from Terrace North, LP and Terrace South, LP of \$968,000. The notes bear no interest and are due in December 2026.

At June 30, 2020, the Organization also has other receivables due from Terrace North, LP and Terrace South, LP of \$211,860 included in other receivables.

**Note 8. Financial Assets and Liquidity Resources**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

Cash	\$ 1,051,786
Grants receivable	<u>1,087,773</u>
Financial assets available for general expenditures	<u><u>\$ 2,139,559</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization also has two lines of credit totaling \$1,320,000 to cover operating cash needs periodically throughout the year. At June 30, 2020, the full amount was available.

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2020**

**Note 9. COVID-19 Outbreak**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The Organization is not able to estimate the effects of the COVID-19 outbreak on its financial condition, liquidity, or results of operations for fiscal year 2020<sup>1</sup> given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread.

**Note 10. Pending Pronouncements**

Revenue recognition

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers; particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. In April 2020 the FASB voted to extend the effective date of ASU No. 2014-09, as a result the standard is effective for the year ending June 30, 2021.

Lease accounting

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02, requires that lessees recognize all leases (other than leases with a term of 12 months or fewer) on the balance sheet as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets. ASU No. 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model, including guidance on separating components of a contract and consideration in the contract. The amendments in ASU No. 2016-02 will be effective for the Organization on July 1, 2022 and will require modified retrospective application as of the beginning of the earliest period presented on the consolidated financial statements. Early application is permitted.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Total Action Against Poverty in the Roanoke Valley, Inc.  
Roanoke, Virginia

We have audited, in accordance with the 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 consolidated financial statements of Total Action Against Poverty in the Roanoke Valley, Inc. and Subsidiaries (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 4, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 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 deficiency in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020.001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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*.

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*Your Success is Our Focus*

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### **Management's Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*  
CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
May 4, 2021



**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  
Total Action Against Poverty in the Roanoke Valley, Inc.  
Roanoke, Virginia

**Report on Compliance for Each Major Federal Program**

We have audited Total Action Against Poverty in the Roanoke Valley, Inc. (the "Organization") compliance with the types of compliance requirements described 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, 2020. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program***

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, 2020.



## Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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  
May 4, 2021

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

	<b>Federal CFDA Number</b>	<b>Expenditures</b>
Department of Health and Human Services:		
Direct program		
Head Start	93.600	\$ 9,833,720
Early Head Start Partner	93.600	2,997,029
Subtotal Department of Health and Human Services – direct program		12,830,749
Pass-through programs from:		
Virginia Department of Housing and Community Development – LIHEAP	93.568	940,861
Virginia Department of Housing and Urban Development HOME	14.239	162,319
Virginia Department of Criminal Justice Services – Victims of Crime	16.575	147,923
Virginia Department of Social Services:		
CSBG	93.569	564,088
CSBG TANF	93.558	375,000
Subtotal Department of Health and Human Services – pass-through programs		2,190,191
Total Department of Health and Human Services		15,020,940
Department of Housing and Urban Development:		
Direct programs:		
Housing Counseling Assistance Program	14.169	39,000
United States Department of Agriculture (USDA)		
Direct programs:		
Child and Adult Care Food Program	10.558	494,440
Department of Labor:		
Direct programs:		
Homeless Veterans’ Reintegration Program	17.805	192,590
YouthBuild	17.274	363,182
Swift Start	17.268	1,214,765
Reintegration of Ex-Offenders	17.270	402,116
Total Department of Labor		2,172,653
Department of Veterans Affairs:		
Direct program:		
Supportive Services for Veteran Families	64.033	455,212
Department of Energy:		
Pass-through programs from:		
Virginia Department of Housing and Community Development:		
Weatherization Assistance for Low-Income Persons	81.042	226,657

(Continued)  
The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

	<b>Federal CFDA Number</b>	<b>Expenditures</b>
Department of Justice:		
Direct program:		
Young Father	16.831	\$ 110,611
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	155,741
		266,352
Pass-through programs from:		
Virginia Department of Criminal Justice:		
BYRNE	16.579	123,557
Total Department of Justice		389,909
Department of the Treasury:		
Direct program:		
VITA	21.009	15,317
Total Expenditures of Federal Awards		\$ 18,814,128

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**Note A. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal award activity of the Organization under programs of the Federal Government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operation of the Organization, it is not intended to, and does not present, the financial position, changes in net assets or cash flows of the Organization.

**Note B. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C. Indirect Cost Rate**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an **unmodified opinion** on whether the consolidated financial statements of the Organization were prepared in accordance with GAAP.
2. **One significant deficiency** in internal control relating to the audit of the consolidated financial statements were reported 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 consolidated financial statements of the Organization were disclosed during the audit.
4. **No significant deficiencies in internal control** relating to the audit of the 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 programs for the Organization expresses an **unmodified opinion on all major federal programs**.
6. The audit disclosed **no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) relative to the major programs**.
7. The programs tested as a major federal program were:

93.600 Department of Health and Human Services – Head Start.
8. The **threshold** for distinguishing Type A and B programs was \$750,000.
9. **Total Action Against Poverty in the Roanoke Valley, Inc. was determined to be a low-risk auditee.**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2020.001 Audit Adjustments (Significant Deficiency)**

**Criteria:** *Financial statements should be recorded in accordance with GAAP with adjustments made as necessary.*

**Cause:** *Outdated information was used in certain financial statement line items.*

**Effect:** *Journal entries were necessary to adjust balances to align with GAAP.*

**Recommendation:** *We recommend management more frequently review information used in calculating the healthcare accrual and depreciation.*

(Continued)

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)**

**2020.001 Audit Adjustments (Significant Deficiency) (Continued)**

**Management’s response:** *TAP has decided to change the terms of reimbursement of employee deductibles. Presently all reimbursement requests must be submitted before January 31<sup>st</sup> following the end of the insurance year in October. This presents a problem by not giving us a true number for audit purposes until February. This would delay our audit being ready for approval until February and this delay could cause adverse consequences for the agency. Therefore, we have decided to change our deductible reimbursement rules to require that requests for reimbursement be submitted no later than 90 days after occurrence (Doctor Visit, Surgery, etc.). This will allow TAP to properly allocate payments for the entire audit year before completion of the audit. In addition to the above, TAP will directly allocate insurance deductible costs by expensing as paid, or shortly after payment by using this account as a clearing account. The Additional Benefit account (starting July 1<sup>st</sup>, 2021) will only be used as a clearing account and should have a balance equal to the payments made by TAP after the end of our audit year for deductibles incurred before our audit year end of June 30<sup>th</sup>. Since we are almost to the end of our audit year ending June 30, 2021, we will adjust this account by charging the appropriate expense account to make sure the account balance reflects the sum of deductible payments made after June 30, 2021 for charges incurred before that date. This adjustment will be done when we receive the explanation of payments from the company who handles deductible reimbursements for us dated September 30, 2021.*

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended June 30, 2020**

There were no audit findings for the year ended June 20, 2019.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**SUMMARY OF LEASE AGREEMENTS  
For the Year Ended June 30, 2020**

<u>Lessor</u>	<u>Property Location</u>	<u>Lease Duration</u>	<u>Amount</u>	<u>Program Use</u>
City of Salem	Old Train Station in Salem	7/1/19 - 6/30/21	Contribution	Head Start
Caru Realty	Caru Community Center 3417 Bennett Drive, N.W. Roanoke, Virginia	Month to Month	Contribution	Head Start
First Baptist Church	413 N. Jefferson Street Roanoke Virginia	Month to Month	\$ 1,800	Head Start
Northwest Neighborhood Environmental Organization, Inc.	206 Ninth Street, N.W. Roanoke, Virginia	2/1/20 - 1/31/21	106,125	Head Start
Roanoke Redevelopment and Housing	Lansdowne Park Admin. Building 2624 Salem Turnpike, N.W. Roanoke, Virginia	7/27/20 - 7/31/21	5,484	Head Start
Roanoke Redevelopment and Housing	Indian Rock Village Child Development Center 1916 Wise Avenue, S.E. Roanoke, Virginia	7/27/20 - 7/31/21	15,612	Head Start
Diocese of Southwestern Virginia	1000 First Street Roanoke, Virginia	Month to Month	Contribution	Head Start
St. John's Episcopal Church	Jefferson Street Roanoke, Virginia	1/1/20 - 12/31/21	14,400	Head Start
Belmont Christian Church	1101 Jamison Avenue Roanoke, Virginia	3/24/20 - 12/31/21	8,400	Head Start
Kirk Avenue Properties, LLC	112 Kirk Avenue Roanoke, Virginia	Month to Month	38,676	Safe Haven
Roanoke Higher Education Authority	108 N. Jefferson Street Roanoke, Virginia	7/1/18 - 6/30/20	130,716	TVW
Roanoke Higher Education Authority	108 N. Jefferson Street Roanoke, Virginia	7/27/20 - 7/31/21	112,594	Head Start
Roanoke City Public Schools	2102 Grandin Road Roanoke, Virginia	Month to Month	Contribution	Head Start
Summerdean Farms, Inc.	2164 E. Midland Trail Buena Vista, Virginia	1/1/19 - 1/31/21	66,000	Head Start
T Building, LLC – First Floor	302 2nd Street, S.W. Roanoke, Virginia	2/26/20 - 2/26/21	92,000	Various
T Building, LLC – 4th Floor	302 2nd Street, S.W. Roanoke, Virginia	2/26/20 - 2/26/28	100,000	Various

Lease commitments are as follows at June 30:

2021	\$ 591,995
2022	310,662
2023	317,814
2024	325,759
2025	333,903
2026 and after	<u>930,796</u>
	<u>\$ 2,810,929</u>

The Notes are an integral part of these Consolidated Financial Statements.



**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**HEAD START PROGRAM  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<u>Head Start Full Year Part Day</u>		<u>Head Start Kitchen Full Year Part Day</u>		<u>Total</u>
	<u>April 30,</u>		<u>April 30,</u>		
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	
	<u>Ten Months</u>	<u>Two Months</u>	<u>Ten Months</u>	<u>Two Months</u>	
<b>REVENUE</b>					
Grants	\$ 5,485,300	\$ 905,001	\$ 391,794	\$ 71,141	\$ 6,853,236
USDA	-	-	377,545	6,947	384,492
Other revenue	9,998	-	-	-	9,998
In-kind	2,388,584	247,205	-	-	2,635,789
<b>Total revenue</b>	<b>7,883,882</b>	<b>1,152,206</b>	<b>769,339</b>	<b>78,088</b>	<b>9,883,515</b>
<b>EXPENDITURES</b>					
Salaries and wages	2,614,903	457,966	312,290	36,749	3,421,908
Fringe benefits	886,168	139,554	105,393	14,798	1,145,913
Contractual	438,228	19,002	1,398	-	458,628
Travel	40,724	3,310	7,450	797	52,281
Space	180,063	29,259	44,219	8,844	262,385
Supplies	159,090	29,784	239,634	7,104	435,612
Equipment	37,422	2,602	45,373	431	85,828
Other	1,138,699	229,725	36,139	5,547	1,410,110
In-kind	2,388,585	247,205	-	-	2,635,790
<b>Total expenditures</b>	<b>7,883,882</b>	<b>1,158,407</b>	<b>791,896</b>	<b>74,270</b>	<b>9,908,455</b>
<b>Revenue over (under) expenditures</b>	<b>-</b>	<b>(6,201)</b>	<b>(22,557)</b>	<b>3,818</b>	<b>(24,940)</b>
<b>FUND BALANCE</b>					
Beginning	-	-	22,557	-	22,557
Ending	\$ -	\$ (6,201)	\$ -	\$ 3,818	\$ (2,383)

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**EARLY HEAD START PROGRAM  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	Early Head Start Full Year Part Day		Early Head Start Training and Technical Assistance		Total
	April 30,		April 30,		
	2020	2021	2020	2021	
	Ten Months	Two Months	Ten Months	Two Months	
<b>REVENUE</b>					
Grants	\$ 2,390,221	\$ 457,555	\$ 55,910	\$ 7,548	\$ 2,911,234
USDA	109,949	-	-	-	109,949
Other revenue	1,841	-	-	-	1,841
Contributions	750	600	-	-	1,350
In-kind	489,031	20,910	-	-	509,941
<b>Total revenue</b>	<b>2,991,792</b>	<b>479,065</b>	<b>55,910</b>	<b>7,548</b>	<b>3,534,315</b>
<b>EXPENDITURES</b>					
Salaries and wages	1,361,859	277,716	-	-	1,639,575
Fringe benefits	406,773	79,726	-	-	486,499
Contractual	54,555	600	-	-	55,155
Travel	12,156	1,309	8,604	-	22,069
Space	61,622	9,781	4,781	-	76,184
Supplies	158,977	14,134	15,400	1,748	190,259
Equipment	41,471	144	-	-	41,615
Other	397,259	76,259	27,125	5,800	506,443
In-kind	489,031	20,910	-	-	509,941
<b>Total expenditures</b>	<b>2,983,703</b>	<b>480,579</b>	<b>55,910</b>	<b>7,548</b>	<b>3,527,740</b>
<b>Revenue over (under) expenditures</b>	<b>8,089</b>	<b>(1,514)</b>	<b>-</b>	<b>-</b>	<b>6,575</b>
<b>FUND BALANCE</b>					
Beginning	(8,089)	-	-	-	(8,089)
Ending	\$ -	\$ (1,514)	\$ -	\$ -	\$ (1,514)

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**HEAD START PARTNERSHIP GRANT  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Partnership</b>	<b>Training &amp; Technical Assistance</b>	<b>Total</b>
<b>REVENUE</b>			
Grants	\$ 2,919,773	\$ 77,257	\$ 2,997,030
In-kind	770,534	-	770,534
<b>Total revenue</b>	<b>3,690,307</b>	<b>77,257</b>	<b>3,767,564</b>
<b>EXPENDITURES</b>			
Salaries and wages	329,520	-	329,520
Fringe benefits	112,529	-	112,529
Contractual	1,604,687	-	1,604,687
Travel	19,037	26,125	45,162
Space	16,070	954	17,024
Supplies	376,827	28,320	405,147
Equipment	73,416	-	73,416
Other	387,687	22,255	409,942
In-kind	770,534	-	770,534
<b>Total expenditures</b>	<b>3,690,307</b>	<b>77,654</b>	<b>3,767,961</b>
<b>Revenue over (under) expenditures</b>	<b>-</b>	<b>(397)</b>	<b>(397)</b>
<b>FUND BALANCE</b>			
Beginning	-	-	-
Ending	\$ -	\$ (397)	\$ (397)

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Community Service Block Grant Federal</b>	<b>TANF State</b>	<b>Domestic Violence</b>	<b>Total</b>
<b>REVENUE</b>				
Grants	\$ 564,088	\$ 375,000	\$ 130,789	\$ 1,069,877
In-kind	50	-	18,759	18,809
<b>Total revenue</b>	<b>564,138</b>	<b>375,000</b>	<b>149,548</b>	<b>1,088,686</b>
<b>EXPENDITURES</b>				
Salaries and wages	307,322	89,762	68,652	465,736
Fringe benefits	100,367	36,414	14,757	151,538
Contractual	3,102	3,926	5,000	12,028
Travel	12,498	9,021	24,311	45,830
Space	64,231	10,271	-	74,502
Supplies	3,940	3,175	4,140	11,255
Other	72,668	11,682	31,062	115,412
In Kind	-	210,749	18,759	229,508
<b>Total expenditures</b>	<b>564,128</b>	<b>375,000</b>	<b>166,681</b>	<b>1,105,809</b>
<b>Revenue over (under) expenditures</b>	<b>10</b>	<b>-</b>	<b>(17,133)</b>	<b>(17,123)</b>
<b>FUND BALANCE</b>				
Beginning	(388)	(728)	(10,826)	(11,942)
Ending	<u>\$ (378)</u>	<u>\$ (728)</u>	<u>\$ (27,959)</u>	<u>\$ (29,065)</u>

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**HOUSING REVITALIZATION PROGRAMS  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Roanoke City Homeless Solutions Total</b>
<b>REVENUE</b>	
Local cash	\$ 39,000
<b>Total revenue</b>	39,000
<b>EXPENDITURES</b>	
Salaries and wages	22,435
Fringe benefits	8,865
Contractual	-
Travel	15,326
Space	2,054
Supplies	127
Emergency assistance	3,397
Other	7,617
<b>Total expenditures</b>	59,821
<b>Revenue over (under) expenditures</b>	(20,821)
<b>FUND BALANCE</b>	
Beginning	20,470
Ending	\$ (351)

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**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES**

**For the Year Ended June 30, 2020**

	<u>Weatherization</u>	<u>Emergency Home Repair</u>	<u>Indoor Plumbing</u>	<u>Total</u>
<b>REVENUE</b>				
Grants	\$ 1,135,833	\$ 22,081	\$ 242,416	\$ 1,400,330
Program income	5,000	-	9,186	14,186
Other revenue	-	-	53,480	53,480
<b>Total revenue</b>	<u>1,140,833</u>	<u>22,081</u>	<u>305,082</u>	<u>1,467,996</u>
<b>EXPENDITURES</b>				
Salaries and wages	419,947	9,657	8,925	438,529
Fringe benefits	132,268	4,254	1,900	138,422
Contractual	141,284	20,700	241,759	403,743
Travel	37,741	-	33	37,774
Space	38,563	-	225	38,788
Supplies	173,669	-	3,608	177,277
Equipment	129,926	-	-	129,926
Other	98,121	2,127	2,157	102,405
<b>Total expenditures</b>	<u>1,171,519</u>	<u>36,738</u>	<u>258,607</u>	<u>1,466,864</u>
<b>Revenue over (under) expenditures</b>	(30,686)	(14,657)	46,475	1,132
<b>FUND BALANCE</b>				
Beginning	(43,212)	(6,351)	(12,436)	(61,999)
Ending	<u>\$ (73,898)</u>	<u>\$ (21,008)</u>	<u>\$ 34,039</u>	<u>\$ (60,867)</u>

The Notes are an integral part of these Consolidated Financial Statements.

**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**WEATHERIZATION  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Department of Energy</b>	<b>Low Income Home Energy Assistance</b>	<b>Total</b>
<b>REVENUE</b>			
Grants	\$ 218,731	\$ 917,102	\$ 1,135,833
Program income	1,000	4,000	5,000
Other revenue	-	-	-
<b>Total revenue</b>	<b>219,731</b>	<b>921,102</b>	<b>1,140,833</b>
<b>EXPENDITURES</b>			
Salaries and wages	92,722	327,225	419,947
Fringe benefits	30,082	102,186	132,268
Contractual	28,560	112,724	141,284
Travel	9,035	28,706	37,741
Space	6,934	31,629	38,563
Supplies	34,901	138,768	173,669
Equipment	6,292	123,634.00	129,926
Other	18,131	79,990	98,121
<b>Total expenditures</b>	<b>226,657</b>	<b>944,862</b>	<b>1,171,519</b>
<b>Revenue over (under) expenditures</b>	<b>(6,926)</b>	<b>(23,760)</b>	<b>(30,686)</b>
<b>FUND BALANCE</b>			
Beginning	(105,081)	61,869	(43,212)
Ending	<u>\$ (112,007)</u>	<u>\$ 38,109</u>	<u>\$ (73,898)</u>

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**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**ROANOKE CITY REVENUE  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Total</b>
<b>REVENUE</b>	
Grants	\$ (15,510)
Program income	1,560
Other revenue	5,431
Local cash	114,000
Other revenue	1,000
	<b>106,481</b>
<b>EXPENDITURES</b>	
Salaries and wages	86,510
Fringe benefits	17,578
Contractual	(29,553)
Travel	1,948
Space	14,109
Supplies	2,255
Other	23,848
	<b>116,695</b>
<b>Revenue Over (Under) Expenditures</b>	<b>(10,214)</b>
<b>FUND BALANCE</b>	
Beginning	50,752
Ending	\$ 40,538

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**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**EDUCATION REVENUE  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<u><b>Project Discovery of Virginia</b></u>
<b>REVENUE</b>	
Grants	\$ 74,113
In-kind	59,332
<b>Total revenue</b>	<u>133,445</u>
<b>EXPENDITURES</b>	
Salaries and wages	42,488
Fringe benefits	11,272
Travel	5,232
Space	2,707
Supplies	1,683
Other	10,608
In-kind	59,332
<b>Total expenditures</b>	<u>133,322</u>
<b>Revenue over (under) expenditures</b>	123
<b>FUND BALANCE</b>	
Beginning	<u>(18,715)</u>
Ending	<u><u>\$ (18,592)</u></u>

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**TOTAL ACTION AGAINST POVERTY  
IN THE ROANOKE VALLEY, INC. AND SUBSIDIARIES**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS  
SCHEDULE OF GRANT REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2020**

	<b>Virginia Cares</b>	<b>United Way</b>
<b>REVENUE</b>		
Grants	\$ 112,952	\$ 194,982
<b>Total revenue</b>	112,952	194,982
<b>EXPENDITURES</b>		
Salaries and wages	63,648	69,641
Fringe benefits	23,220	20,236
Contractual	2,310	56,042
Travel	947	62,039
Space	4,500	5,960
Supplies	703	6,642
Equipment	4,665	886
Other	12,959	31,168
<b>Total expenditures</b>	112,952	252,614
<b>Revenue over (under) expenditures</b>	-	(57,632)
<b>FUND BALANCE</b>		
Beginning	(12,864)	218,138
Ending	\$ (12,864)	\$ 160,506

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