

New River Valley Child Advocacy,
Resources, Education and Services



Financial Report
For the Year Ended June 30, 2021

New River Valley Child Advocacy, Resources, Education and
Services (NRV CARES)

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and Services (NRV CARES)
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Independent Auditors' Report

To the Board of Directors
New River Valley Child Advocacy, Resources,
Education and Services (NRV CARES)
Christiansburg, Virginia

We have audited the accompanying financial statements of NRV CARES (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of NRV CARES, as of June 30, 2021, 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.

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia
August 13, 2021

**New River Valley Child Advocacy, Resources, Education
And Services (NRV CARES)**

**Statement Of Financial Position
As Of June 30, 2021**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 101,083
Accounts Receivable	16,016
Prepaid Expenses	9,906

Total Current Assets \$ 127,005

Noncurrent Assets:

Certificates of Deposit	\$ 21,640
Property and Equipment (Net of Accumulated Depreciation)	2,791

Total Noncurrent Assets \$ 24,431

Total Assets \$ 151,436

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts Payable	\$ 238
Accrued Payroll	18,716
Compensated Absences	15,985

Total Liabilities \$ 34,939

Net Assets:

Net Assets Without Donor Restrictions	\$ 113,304
Net Assets With Donor Restrictions	3,193

Total Net Assets \$ 116,497

Total Liabilities and Net Assets \$ 151,436

The accompanying notes to financial statements are an integral part of this statement.

**New River Valley Child Advocacy, Resources, Education
And Services (NRV CARES)**

**Statement Of Activities
For The Year Ended June 30, 2021**

REVENUES, GAINS, AND OTHER SUPPORT:	Without Donor Restrictions	With Donor Restrictions	Total
Contributions	\$ 36,839	3,193	\$ 40,032
Grants and Foundation Funding	203,034	-	203,034
United Way and United Fund	9,031	-	9,031
Fundraising	59,715	-	59,715
Local Government Funding	10,600	-	10,600
Program Fees	3,700	-	3,700
Interest	1,208	-	1,208
In Kind Revenues	3,788	-	3,788
Gain on Extinguishment of PPP Loan Payable	25,400	-	25,400
Total Revenues, Gains, and Other Support	<u>\$ 353,315</u>	<u>3,193</u>	<u>\$ 356,508</u>
EXPENSES:			
Program Services:			
CASA	\$ 139,741	-	\$ 139,741
Community Education	24,037	-	24,037
Parent Education	124,124	-	124,124
Supporting Services:			
Management and General	21,751	-	21,751
Fundraising	14,752	-	14,752
Total Expenses	<u>\$ 324,405</u>	<u>-</u>	<u>\$ 324,405</u>
Change in Net Assets	\$ 28,910	3,193	\$ 32,103
Beginning Net Assets	<u>84,394</u>	<u>-</u>	<u>84,394</u>
Ending Net Assets	<u>\$ 113,304</u>	<u>3,193</u>	<u>\$ 116,497</u>

The accompanying notes to financial statements are an integral part of this statement.

**New River Valley Child Advocacy, Resources, Education
And Services (NRV CARES)**

**Statement of Functional Expenses
For the Year Ended June 30, 2021**

EXPENSES:	Program Services			Supporting Services		Total
	CASA	Community Education	Parent Education	Management and General	Fundraising	
Salaries and Fringes	\$ 116,832	\$ 20,896	\$ 105,712	\$ 18,186	\$ 9,387	\$ 271,013
Travel	378	-	55	-	-	433
Rent and Utilities	7,972	1,130	6,544	804	446	16,896
Program Expense	1,222	571	3,282	-	-	5,075
Insurance	4,727	151	869	1,262	60	7,069
Office Expenses	2,434	454	2,370	903	286	6,447
Professional Fees	1,793	254	1,472	181	100	3,800
Depreciation	477	68	391	48	26	1,010
Dues and Fees	334	8	48	7	3	400
Information Technology	1,784	252	1,464	180	100	3,780
Training and Staff Development	-	-	450	-	-	450
In-Kind	1,788	253	1,467	180	100	3,788
Gala	-	-	-	-	3,804	3,804
Pinwheel Garden Kits	-	-	-	-	332	332
Tree of Hope	-	-	-	-	108	108
Total Expenses	\$ 139,741	\$ 24,037	\$ 124,124	\$ 21,751	\$ 14,752	\$ 324,405

The accompanying notes to financial statements are an integral part of this statement.

**New River Valley Child Advocacy, Resources, Education
And Services (NRV CARES)**

**Statement Of Cash Flows
For The Year Ended June 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$	32,103
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		1,010
Gain on extinguishment of PPP loan payable		(25,400)
Interest on investments reinvested		(275)
(Increase) decrease in prepaid expenses		(4,000)
(Increase) decrease in accounts receivable		(9,570)
Increase (decrease) in accounts payable		88
Increase (decrease) in compensated absences		(900)
Increase (decrease) in accrued payroll		710
Increase (decrease) in deferred revenues		<u>(7,500)</u>
Net cash provided by (used for) operating activities	\$	<u>(13,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$	<u>(940)</u>
Net increase (decrease) in cash and cash equivalents	\$	(14,674)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>115,757</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>101,083</u></u>

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

New River Valley Child Advocacy, Resources, Education and Services (NRV CARES)

Notes to Financial Statements
As of June 30, 2021

Note 1 - Purpose of the Organization

NRV CARES is located in Christiansburg, Virginia and was organized for the purpose of protecting children and strengthening families. Sources of revenue for the Organization include grants and foundation funding along with fundraising events and local government contributions.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Organization maintains its assets and liabilities and records its income and expenses by use of the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

B. Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. At June 30, 2021, the Organization had net assets without donor restriction of \$113,304.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization as well as net assets whose use is limited by donor-imposed time and/or purpose restrictions. At June 30, 2021, the Organization had net assets with donor restrictions of \$3,193.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less from the date of acquisition. The carrying value of cash and cash equivalents approximates fair value.

New River Valley Child Advocacy, Resources, Education and Services (NRV CARES)

Notes to Financial Statements As of June 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Certificates of Deposit

Certificates of deposit totaling \$21,640 are included in the accompanying financial statements. The certificates bear interest rates of 0.10% and 1.74% and have maturity dates of November 8, 2022 and November 18, 2021, respectively.

F. Compensated Absences

Upon separation of employment the Organization's employees are entitled to the amount of unused vacation time that has accrued. At June 30, 2021, this amount totaled \$15,985.

G. Revenue Recognition

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restrictions.

The Organization receives various grants from state, local and private agencies for program and supporting services. These grants are generally on a cost reimbursement basis. Revenues from grants are recognized in the statement of activities when expenses are made for the purpose specified.

H. Accounts Receivable

Grants, contracts, and accounts receivable are deemed to be fully collectible by management and are composed of federal, state, and local monies. As of June 30, 2021, accounts receivable consisted of \$16,016. The Organization had no bad debt expense for the year ended June 30, 2021.

Note 3 - Income Tax

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

New River Valley Child Advocacy, Resources, Education and Services (NRV CARES)

Notes to Financial Statements As of June 30, 2021

Note 4 - Property and Equipment:

Property and equipment are defined by the Organization as assets with a unit cost or donor determined value of \$500 or more or a useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Furniture	7-10
Equipment	2-7

The Organization had the following property and equipment on hand at June 30, 2021:

Furniture and Equipment	\$ 15,035
Less: Accumulated Depreciation	(12,244)
Net Property, Plant and Equipment	<u>\$ 2,791</u>

Depreciation expense for the year ended June 30, 2021 was \$1,010.

Note 5 - Donated Services and Goods

NRV CARES recognized revenue in 2021 for donated goods and services it received related to its primary purpose of protecting children from abuse and strengthening families through education, advocacy and community partnerships. Contribution revenue from such services and goods was measured based on the fair value of those goods and services and the amounts recognized amounted to \$3,788 for the year ended June 30, 2021.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Note 6 - Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to the programs and supporting services benefited. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

New River Valley Child Advocacy, Resources, Education and Services (NRV CARES)

Notes to Financial Statements As of June 30, 2021

Note 7 - Retirement Plan

The Organization has a Simple IRA plan held by SunTrust Investment Services, Inc. for all employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. Employees may make salary reductions of no more than the applicable limit per plan year (\$13,000 in 2021). NRV CARES provides a matching contribution on a dollar-for-dollar basis of up to 3% of a participating employee's compensation not to exceed the applicable limit. The contributions vest immediately. For the year ended June 30, 2021, NRV CARES contributed \$4,510 on behalf of its employees.

Note 8 - Operating Lease Agreements

The Organization entered into an operating lease agreement for a new office space. The new office space was renovated, and the Organization moved in November 2020.

Year	Payment
2022	\$ 20,700
2023	20,700
2024	20,700
2025	20,700
2026	6,900
Total	<u>\$ 89,700</u>

Note 9 - Gain on Extinguishment of PPP Loan Payable

On May 4, 2020, the Organization issued a Paycheck Protection Program (PPP) Loan as a result of the ongoing COVID-19 pandemic in the amount of \$25,400. The Organization applied for forgiveness and was granted same on December 24, 2020. As a result, the full amount is shown as a gain on extinguishment of debt during fiscal year 2021.

Note 10 - Liquidity and Availability of Net Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while attempting to maximize the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	<u>2021</u>
Cash and Cash Equivalents	\$ 101,083
Accounts Receivable	16,016
Certificates of Deposit	21,640
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 138,739</u>

New River Valley Child Advocacy, Resources, Education and Services (NRV CARES)

Notes to Financial Statements As of June 30, 2021

Note 10 - Liquidity and Availability of Net Assets (Continued)

The Organization does not have a formal policy related to investing excess cash and maintaining balances but strives to maintain cash and cash equivalents balances to cover approximately three months of expenses at all times.

Note 11 - Subsequent Events

The full impact of the COVID-19 outbreak continues to evolve as of the release date of this report. As such, the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations is uncertain. Management is monitoring the global situation and impact that it may have on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.