

New River Valley Child Advocacy,  
Resources, Education and Services



Financial Report  
For the Year Ended June 30, 2022

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

Financial Report

For the Year Ended June 30, 2022

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New River Valley Child Advocacy, Resources, Education  
and Services (NRV CARES)  
Financial Report  
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**Independent Auditors' Report**

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

***Opinion***

We have audited the accompanying financial statements of NRV CARES (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NRV CARES as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NRV CARES 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 opinion.

***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 NRV CARES's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NRV CARES'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 NRV CARES'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.

*Robinson, Jarmer, Cox, Associates*

Blacksburg, Virginia  
August 16, 2022

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

**Statement Of Financial Position  
As Of June 30, 2022**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 130,530
Grants Receivable	23,915
Prepaid Expenses	7,794

Total Current Assets \$ 162,239

Noncurrent Assets:

Certificates of Deposit	\$ 21,730
Property and Equipment (Net of Accumulated Depreciation)	1,920

Total Noncurrent Assets \$ 23,650

Total Assets \$ 185,889

**LIABILITIES AND NET ASSETS**

Liabilities:

Current Liabilities:

Accounts Payable	\$ 654
Accrued Payroll	15,357
Compensated Absences	16,234

Total Liabilities \$ 32,245

Net Assets:

Net Assets Without Donor Restrictions	\$ 126,854
Net Assets With Donor Restrictions	26,790

Total Net Assets \$ 153,644

Total Liabilities and Net Assets \$ 185,889

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, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>			
Contributions	\$ 57,100	\$ 20,440	\$ 77,540
Grants and Foundation Funding	197,685	6,350	204,035
United Way and United Fund	3,728	-	3,728
Fundraising	62,623	-	62,623
Local Government Funding	10,650	-	10,650
Program Fees	4,425	-	4,425
Interest	1,179	-	1,179
In Kind Revenues	2,906	-	2,906
Amounts released from restriction	3,193	(3,193)	-
Total Revenues, Gains, and Other Support	<u>\$ 343,489</u>	<u>\$ 23,597</u>	<u>\$ 367,086</u>
<b>EXPENSES:</b>			
<b>Program Services:</b>			
CASA	\$ 135,594	\$ -	\$ 135,594
Community Education	25,918	-	25,918
Parent Education	116,605	-	116,605
<b>Supporting Services:</b>			
Management and General	25,615	-	25,615
Fundraising	26,207	-	26,207
Total Expenses	<u>\$ 329,939</u>	<u>\$ -</u>	<u>\$ 329,939</u>
Change in Net Assets	\$ 13,550	\$ 23,597	\$ 37,147
Beginning Net Assets	<u>113,304</u>	<u>3,193</u>	<u>116,497</u>
Ending Net Assets	<u>\$ 126,854</u>	<u>\$ 26,790</u>	<u>\$ 153,644</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, 2022

EXPENSES:	Program Services			Supporting Services		Total
	CASA	Community Education	Parent Education	Management and General	Fundraising	
Salaries and Fringes	\$ 109,805	\$ 20,810	\$ 97,467	\$ 22,595	\$ 11,429	\$ 262,106
Travel	765	-	-	-	-	765
Rent and Utilities	10,233	1,451	8,400	1,031	573	21,688
Program Expense	1,253	2,374	2,924	-	-	6,551
Insurance	5,999	129	749	740	52	7,669
Office Expenses	2,292	400	2,534	747	193	6,166
Professional Fees	2,359	335	1,936	238	132	5,000
Depreciation	411	58	337	41	24	871
Dues and Fees	334	58	498	7	3	900
Information Technology	772	109	634	78	43	1,636
In-Kind	1,371	194	1,126	138	77	2,906
Gala	-	-	-	-	397	397
Pinwheel Garden Kits	-	-	-	-	600	600
Tree of Hope	-	-	-	-	241	241
Event and Auction	-	-	-	-	12,443	12,443
<b>Total Expenses</b>	<u>\$ 135,594</u>	<u>\$ 25,918</u>	<u>\$ 116,605</u>	<u>\$ 25,615</u>	<u>\$ 26,207</u>	<u>\$ 329,939</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 Cash Flows  
For The Year Ended June 30, 2022**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase (decrease) in net assets	\$	37,147
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		871
Interest on investments reinvested		(90)
(Increase) decrease in prepaid expenses		2,112
(Increase) decrease in grants receivable		(7,899)
Increase (decrease) in accounts payable		416
Increase (decrease) in compensated absences		249
Increase (decrease) in accrued payroll		<u>(3,359)</u>
Net cash provided by (used for) operating activities	\$	<u>29,447</u>
Net increase (decrease) in cash and cash equivalents	\$	29,447
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>101,083</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>130,530</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, 2022

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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, 2022, the Organization had net assets without donor restriction of \$126,854.

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, 2022, the Organization had net assets with donor restrictions of \$26,790.

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.

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 \$21,730 are included in the accompanying financial statements. The certificates bear interest rates of 0.10% and 0.07% and have maturity dates of November 8, 2022 and November 18, 2026, respectively.

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

Notes to Financial Statements  
As of June 30, 2022

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Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2022, this amount totaled \$16,234.

G. Revenue Recognition

Revenue is recognized for program fees, which relates to fees for parenting programs and workshops, when the program or workshop takes place. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue equal to the fair value of direct benefits to donors is recognized when the event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

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.

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, 2022, grants receivable consisted of \$23,915. The Organization had no bad debt expense for the year ended June 30, 2022.

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, 2022

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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, 2022:

Furniture and Equipment	\$ 15,035
Less: Accumulated Depreciation	(13,115)
Net Property, Plant and Equipment	<u>\$ 1,920</u>

Depreciation expense for the year ended June 30, 2022 was \$871.

Note 5 - Donated Services and Goods

NRV CARES recognized revenue for donated goods and services it received related to its primary purpose of protecting children and strengthening families. 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 \$2,906 for the year ended June 30, 2022.

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.

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 (\$14,000 in 2022). 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, 2022, NRV CARES contributed \$3,296 on behalf of its employees.

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

Notes to Financial Statements  
As of June 30, 2022

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Note 8 - Operating Lease Agreements

The Organization entered into an operating lease agreement for office space. Future lease payments are as follows:

Year	Payment
2023	\$ 20,700
2024	20,700
2025	20,700
2026	6,900
Total	<u>\$ 69,000</u>

Note 9 - 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>2022</u>
Cash and Cash Equivalents	\$ 130,530
Grants Receivable	23,915
Certificates of Deposit	<u>21,730</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 176,175</u>

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 always cover approximately three months of expenses.

Note 10 - Net Assets with Donor Restrictions

At June 30, 2022, net assets with donor restrictions are available for the following purposes:

Grants and Foundations	\$ 6,340
Charity Events	18,566
CASA	1,884
Total Net Assets with Donor Restrictions	<u>\$ 26,790</u>