

NEW RIVER VALLEY CHILD ADVOCACY,  
RESOURCES, EDUCATION  
AND SERVICES (NRV CARES)



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
<b>Financial Statements:</b>	
Statement of Financial Position .....	3
Statement Activities .....	4-6
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8-12



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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

We have audited the accompanying financial statements of NRV CARES (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities 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, 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.

*Robinson, Jarman, Cox Associates*

Blacksburg, Virginia  
August 9, 2020

NEW RIVER VALLEY CHILD ADVOCACY, RESOURCES, EDUCATION  
AND SERVICES (NRV CARES)

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2020

<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 115,757
Accounts Receivable	6,446
Prepaid Expenses	<u>5,906</u>
Total Current Assets	\$ <u>128,109</u>
Noncurrent Assets:	
Certificates of Deposit	\$ 21,365
Property and Equipment (Net of Accumulated Depreciation)	<u>2,861</u>
Total Noncurrent Assets	\$ <u>24,226</u>
Total Assets	\$ <u><u>152,335</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 150
Accrued Payroll	18,006
Compensated Absences	16,885
Deferred Revenue	<u>7,500</u>
Total Current Liabilities	\$ <u>42,541</u>
Noncurrent Liabilities:	
Notes Payable	\$ <u>25,400</u>
Total Liabilities	\$ <u>67,941</u>
Net Assets:	
Net Assets Without Donor Restrictions	\$ <u>84,394</u>
Total Net Assets	\$ <u>84,394</u>
Total Liabilities and Net Assets	\$ <u><u>152,335</u></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 ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

		Without Donor Restrictions
<b>REVENUES AND OTHER SUPPORT:</b>		
Contributions	\$	41,542
Grant and Foundation Funding		192,512
United Way and United Fund		5,098
Fundraising		56,295
Local Government Funding		10,600
Program Fees		4,376
Interest		1,357
In Kind Revenues		5,020
Total Revenues and Other Support	\$	316,800
<b>EXPENSES:</b>		
<b>Program Services:</b>		
<b>CASA:</b>		
Salaries and Fringes	\$	118,566
Travel		3,020
Rent and Utilities		5,115
Program Expense		1,335
Insurance		2,641
Office Expenses		2,478
Professional Fees		1,579
Depreciation		351
Dues and Fees		409
Information Technology		1,604
Training and Staff Development		12
In-Kind		2,085
Sub-total CASA	\$	139,195
<b>Community Education:</b>		
Salaries and Fringes	\$	24,251
Program Expense		1,544
Travel		634
Rent and Utilities		725
Office Expenses		381
Professional Fees		224
Depreciation		50
Insurance		132
Training and Staff Development		2

NEW RIVER VALLEY CHILD ADVOCACY, RESOURCES, EDUCATION  
AND SERVICES (NRV CARES)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

<b>EXPENSES: (Continued)</b>	<u>Without Donor Restrictions</u>
<b>Program Services: (Continued)</b>	
Community Education: (Continued)	
Dues and Fees	\$       69
Information Technology	227
In-Kind	296
Sub-total Community Education	<u>\$   28,535</u>
Parent Education:	
Salaries and Fringes	\$   121,801
Program Expense	8,455
Rent and Utilities	5,669
Travel	1,239
Office Expenses	2,786
Professional Fees	1,750
Dues and Fees	600
Depreciation	389
Insurance	1,036
Information Technology	1,777
Training and Staff Development	14
In-Kind	2,312
Sub-total Parent Education	<u>\$   147,828</u>
Total Program Services	<u>\$   315,558</u>
<b>Supporting Services:</b>	
Management and General:	
Salaries and Fringes	\$   18,329
Information Technology	162
Insurance	1,249
Office Expenses	821
Professional Fees	159
Dues and Fees	14
Rent and Utilities	515
Travel	15
Depreciation	35
Training and Staff Development	1
In-Kind	210
Sub-total Management and General	<u>\$   21,510</u>



NEW RIVER VALLEY CHILD ADVOCACY, RESOURCES, EDUCATION  
AND SERVICES (NRV CARES)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

EXPENSES: (Continued)	Without Donor Restrictions
Supporting Services: (Continued)	
Fundraising:	
Salaries and Fringes	\$ 9,478
Gala	3,850
Pinwheel Garden Kits	6
Tree of Hope	543
Other	371
Dues and Fees	8
Office Expenses	298
Rent and Utilities	286
Training and Staff Development	1
Professional Fees	88
Depreciation	20
Insurance	53
Information Technology	90
Travel	104
In-Kind	117
Total Fundraising	<u>\$ 15,313</u>
Total Supporting Services	<u>\$ 36,823</u>
Total Expenses	<u>\$ 352,381</u>
Change in Net Assets	\$ (35,581)
Beginning Net Assets	<u>119,975</u>
Ending Net Assets	<u><u>\$ 84,394</u></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, 2020

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase (decrease) in net assets	\$	(35,581)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		845
Interest on investments reinvested		(404)
(Increase) decrease in prepaid expenses		(3,425)
(Increase) decrease in accounts receivable		301
Increase (decrease) in accounts payable		(2,790)
Increase (decrease) in compensated absences		1,736
Increase (decrease) in accrued payroll		7,426
Increase (decrease) in deferred revenues		<u>(2,500)</u>
Net cash provided by (used for) operating activities	\$	<u>(34,392)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment	\$	<u>(3,388)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Issuance of notes payable	\$	<u>25,400</u>
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Net increase (decrease) in cash and cash equivalents	\$	(12,380)
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CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>128,137</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>115,757</u></u>
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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, 2020

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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, 2020, the Organization had net assets without donor restriction of \$84,394.

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, 2020, the Organization had no net assets with donor restrictions.

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 (CONTINUED)

AS OF JUNE 30, 2020

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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 \$21,365 are included in the accompanying financial statements. The certificates bear interest rates of 1.99% and 1.74% and have maturity dates of November 8, 2020 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, 2020, this amount totaled \$16,885.

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, 2020, accounts receivable consisted of \$6,446. The Organization had no bad debt expense for the year ended June 30, 2020.

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 (CONTINUED)**

**AS OF JUNE 30, 2020**

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**NOTE 4 - PROPERTY AND EQUIPMENT:**

Property and equipment are defined by the Organization as assets with a useful life of more than one year. 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:

Asset	Years
Furniture	7-10
Equipment	2-7

The Organization had the following property and equipment on hand at June 30, 2020:

Furniture and Equipment	\$ 14,862
Less: Accumulated Depreciation	(12,001)
Net Property, Plant and Equipment	<u>\$ 2,861</u>

Depreciation expense for the year ended June 30, 2020 was \$845.

**NOTE 5 - DONATED SERVICES AND GOODS:**

NRV CARES recognized revenue in 2020 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 \$5,020 for the year ended June 30, 2020.

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 (CONTINUED)**

**AS OF JUNE 30, 2020**

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**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 2020). 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, 2020, 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 is currently being renovated and a move-in date for the new space is undetermined. The lease agreement expires in five years. Estimated payments based on an anticipated move date of January 1, 2021 are as follows:

Year	Payment
2021	\$ 15,750
2022	20,700
2023	20,700
2024	20,700
2025	20,700
Total	<u>\$ 98,550</u>

**NOTE 9 - NOTES 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 plans to apply for loan forgiveness under the program and expects that same will be granted; however, the determination is not available as of the date of the report. If the loan is not forgiven, all loan payments are deferred for 6 months; however, interest will accrue at 0.50% over the life of the loan. The balance of the loan is due 2 years after issuance. As a result, the full loan balance is shown as a long-term note payable as of June 30, 2020.

NEW RIVER VALLEY CHILD ADVOCACY, RESOURCES, EDUCATION  
AND SERVICES (NRV CARES)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2020

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NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

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>2020</u>
Cash and Cash Equivalents	\$ 115,757
Accounts Receivable	6,446
Certificates of Deposit	<u>21,365</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 143,568</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 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 2021.