

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



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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, 2018, 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, 2018, 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, Farmer, Cox Associates

Blacksburg, Virginia
August 20, 2018

Financial Statements

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

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2018

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	115,452
Accounts Receivable		13,629
Prepaid Expenses		<u>1,540</u>

Total Current Assets \$ 130,621

Noncurrent Assets:

Certificates of Deposit	\$	20,566
Property and Equipment (net of accumulated depreciation)		<u>385</u>

Total Noncurrent Assets \$ 20,951

Total Assets \$ 151,572

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$	3,758
Accrued Payroll		7,249
Compensated Absences		13,323
Deferred Revenue		<u>5,000</u>

Total Liabilities \$ 29,330

Net Assets:

Unrestricted \$ 122,242

Total Net Assets \$ 122,242

Total Liabilities and Net Assets \$ 151,572

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, 2018

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT:	
Contributions	\$ 43,469
Grant and Foundation Funding	183,248
United Way and United Fund	13,408
Fundraising	54,323
Local Government Funding	10,547
Program Fees	6,457
Interest	1,273
In Kind Revenues	1,900
Total Revenues and Other Support	\$ 314,625
EXPENSES:	
Program Services:	
CASA	
Salaries and Fringes	\$ 99,769
Travel	3,995
Rent	5,741
Program Expense	2,469
Insurance	2,075
Office Expenses	2,932
Professional Fees	1,544
Depreciation	66
Dues and Fees	377
Information Technology	674
Training and Staff Development	62
Sub-total CASA	\$ 119,704
Community Education	
Salaries and Fringes	\$ 16,723
Program Expense	3,066
Travel	1,248
Rent	825
Office Expenses	444
Professional Fees	219
Depreciation	9
Insurance	139
Training and Staff Development	9
Dues and Fees	64
Information Technology	96
Sub-total Community Education	\$ 22,842

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

STATEMENT OF ACTIVITIES (Continued)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>
EXPENSES: (Continued)	
Program Services: (Continued)	
Parent Education	
Salaries and Fringes	\$ 96,093
Program Expense	11,894
Rent	5,186
Travel	1,886
Office Expenses	2,887
Professional Fees	1,395
Dues and Fees	543
Depreciation	59
Insurance	880
Information Technology	609
Training and Staff Development	56
Sub-total Parent Education	\$ 121,488
In Kind Expenses	\$ 1,900
Total Program Services	\$ 265,934
Supporting Services:	
Management and General	
Salaries and Fringes	\$ 12,926
Information Technology	68
Insurance	1,252
Office Expenses	1,048
Professional Fees	155
Dues and Fees	10
Rent	568
Travel	118
Depreciation	7
Training and Staff Development	6
Sub-total Management and General Expenses	\$ 16,158

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

STATEMENT OF ACTIVITIES (Continued)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>
EXPENSES: (Continued)	
Supporting Services: (Continued)	
Fundraising	
Salaries and Fringes	\$ 6,229
Gala	19,492
Pinwheel Garden Kits	6
Tree of Hope	522
Dues and Fees	206
Office Expenses	341
Rent	317
Training and Staff Development	3
Professional Fees	86
Depreciation	4
Insurance	55
Information Technology	39
Travel	78
Total Fundraising	<u>\$ 27,378</u>
Total Supporting Services	<u>\$ 43,536</u>
Total Expenses	<u>\$ 309,470</u>
Change in Net Assets	\$ 5,155
Beginning Net Assets	<u>117,087</u>
Ending Net Assets	<u>\$ 122,242</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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$	5,155
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		145
Interest on investments reinvested		(255)
(Increase) decrease in prepaid expenses		1,108
(Increase) decrease in accounts receivable		(7,280)
Increase (decrease) in accounts payable		(444)
Increase (decrease) in compensated absences		896
Increase (decrease) in accrued payroll		(2,802)
Increase (decrease) in deferred revenues		<u>(2,500)</u>
Net cash provided by (used for) operating activities	\$	<u>(5,977)</u>
Net increase (decrease) in cash	\$	(5,977)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>121,429</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>115,452</u></u>

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

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

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2018

NOTE 1—PURPOSE OF THE ORGANIZATION:

NRV CARES is located in Christiansburg, Virginia and was organized for the purpose of protecting children from abuse and strengthening families through education, advocacy and community partnerships. 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 the following three classes of net assets based on the existence or absence of donor-imposed restrictions:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations. At June 30, 2018, the Organization had unrestricted net assets of \$122,242.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. At June 30, 2018, the Organization had no temporarily restricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. At June 30, 2018, the Organization had no permanently restricted net assets.

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.

**NEW RIVER VALLEY CHILD ADVOCACY, RESOURCES, EDUCATION
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2018

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Certificates of Deposit

Certificates of deposit totaling \$20,566 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, 2018, this amount totaled \$13,323.

G. Revenue Recognition

The Organization recognizes contribution revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, 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, 2018, accounts receivable consisted of \$13,629. The Organization had no bad debt expense for the year ended June 30, 2018.

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
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2018

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:

<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, 2018:

Furniture and Equipment	\$ 13,389
Accumulated Depreciation	(13,004)
	<u>\$ 385</u>

NOTE 5—DONATED SERVICES AND GOODS:

NRV CARES recognized revenue in 2018 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 \$1,900 for the year ended June 30, 2018.

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:

Directly identifiable expenses are charged to programs and supporting services. 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
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2018

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 (\$12,500 in 2018). 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, 2018, NRV CARES contributed \$3,035 on behalf of its employees.

NOTE 8—DATE OF MANAGEMENT'S REVIEW:

In preparing these financial statements, management of NRV CARES has evaluated events and transactions for potential recognition or disclosure through August 20, 2018, the date the financial statements were available to be issued.