

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



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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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, 2019, 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, 2019, 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.

Change in Accounting Principle

As described in Note 10 to the financial statements, in 2019, the Organization adopted new accounting guidance, FASB ASU 2016-14, Not for Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
August 20, 2019

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

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2019

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	128,137
Accounts Receivable		6,747
Prepaid Expenses		<u>2,481</u>

Total Current Assets	\$	<u>137,365</u>
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Noncurrent Assets:

Certificates of Deposit	\$	20,961
Property and Equipment (net of accumulated depreciation)		<u>318</u>

Total Noncurrent Assets	\$	<u>21,279</u>
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Total Assets	\$	<u><u>158,644</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities:

Accounts Payable	\$	2,940
Accrued Payroll		10,580
Compensated Absences		15,149
Deferred Revenue		<u>10,000</u>

Total Liabilities	\$	<u>38,669</u>
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Net Assets

Net assets without donor restrictions	\$	<u>119,975</u>
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Total Net Assets	\$	<u>119,975</u>
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Total Liabilities and Net Assets	\$	<u><u>158,644</u></u>
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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, 2019

	Without Donor Restrictions
REVENUES AND OTHER SUPPORT:	
Contributions	\$ 45,195
Grant and Foundation Funding	166,571
United Way and United Fund	11,967
Fundraising	55,119
Local Government Funding	10,597
Program Fees	4,975
Interest	1,406
In Kind Revenues	2,460
Total Revenues and Other Support	\$ 298,290
EXPENSES:	
Program Services:	
CASA	
Salaries and Fringes	\$ 98,402
Travel	4,383
Rent	5,852
Program Expense	2,305
Insurance	868
Office Expenses	3,451
Professional Fees	1,564
Depreciation	73
Dues and Fees	373
Information Technology	651
Training and Staff Development	289
Sub-total CASA	\$ 118,211
Community Education	
Salaries and Fringes	\$ 13,686
Program Expense	1,322
Travel	729
Rent	830
Office Expenses	598

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

STATEMENT OF ACTIVITIES (Continued)

FOR THE YEAR ENDED JUNE 30, 2019

EXPENSES: (Continued)	Without Donor Restrictions
Program Services: (Continued)	
Community Education (Continued)	
Professional Fees	\$ 222
Depreciation	10
Insurance	124
Training and Staff Development	21
Dues and Fees	14
Information Technology	92
Sub-total Community Education	\$ 17,648
Parent Education	
Salaries and Fringes	\$ 102,224
Program Expense	8,470
Rent	5,874
Travel	2,931
Office Expenses	3,340
Professional Fees	1,568
Dues and Fees	98
Depreciation	73
Insurance	872
Information Technology	654
Training and Staff Development	306
Sub-total Parent Education	\$ 126,410
In Kind Expenses	\$ 2,460
Total Program Services	\$ 264,729
Supporting Services:	
Management and General	
Salaries and Fringes	\$ 10,641
Information Technology	66
Insurance	87
Office Expenses	1,199

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

STATEMENT OF ACTIVITIES (Continued)

FOR THE YEAR ENDED JUNE 30, 2019

EXPENSES: (Continued)	Without Donor Restrictions
Supporting Services: (Continued)	
Management and General (Continued)	
Professional Fees	\$ 158
Dues and Fees	10
Rent	590
Travel	50
Depreciation	7
Training and Staff Development	9
Sub-total Management and General Expenses	\$ 12,817
Fundraising	
Salaries and Fringes	\$ 4,050
Gala	17,641
Pinwheel Garden Kits	16
Tree of Hope	435
Dues and Fees	5
Office Expenses	322
Rent	328
Training and Staff Development	5
Professional Fees	88
Depreciation	4
Insurance	48
Information Technology	36
Travel	33
Total Fundraising	\$ 23,011
Total Supporting Services	\$ 35,828
Total Expenses	\$ 300,557
Change in Net Assets	\$ (2,267)
Beginning Net Assets	122,242
Ending Net Assets	\$ 119,975

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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$	(2,267)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		167
Interest on investments reinvested		(395)
(Increase) decrease in prepaid expenses		(941)
(Increase) decrease in accounts receivable		6,882
Increase (decrease) in accounts payable		(818)
Increase (decrease) in compensated absences		1,826
Increase (decrease) in accrued payroll		3,331
Increase (decrease) in deferred revenues		<u>5,000</u>
Net cash provided by (used for) operating activities	\$	<u>12,785</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	\$	<u>(100)</u>
Net cash provided by (used for) investing activities	\$	<u>(100)</u>
Net increase (decrease) in cash and cash equivalents	\$	12,685
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>115,452</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>128,137</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, 2019

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 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, 2019, the Organization had net assets without donor restriction of \$119,975.

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 Organizations as well as net assets whose use is limited by donor-imposed time and/or purpose restrictions. At June 30, 2019, 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, 2019

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 \$20,961 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, 2019, this amount totaled \$15,149.

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 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, 2019, accounts receivable consisted of \$6,747. The Organization had no bad debt expense for the year ended June 30, 2019.

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, 2019

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, 2019:

Furniture and Equipment	\$ 13,419
Less: Accumulated Depreciation	(13,101)
Net Property, Plant and Equipment	<u>\$ 318</u>

NOTE 5 - DONATED SERVICES AND GOODS:

NRV CARES recognized revenue in 2019 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 \$2,460 for the year ended June 30, 2019.

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, 2019

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 2019). 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, 2019, NRV CARES contributed \$3,460 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, 2020 are as follows:

Year	Payment
2020	\$ 15,750
2021	20,700
2022	20,700
2023	20,700
2024	20,700
Total	<u>\$ 98,550</u>

NOTE 9 - 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 balance sheet to fund expenses without limitations:

	<u>2019</u>
Cash and cash equivalents	\$ 128,137
Accounts Receivable	6,747
Certificates of Deposit	<u>20,961</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 155,845</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2019

NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES: (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 10 - NEW ACCOUNTING PRONOUNCEMENT:

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Organization has changed the presentation of its financial statements, accordingly, applying the changes retrospectively to the beginning net assets. The new ASU changes the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been reduced to a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been changed to *net assets without donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of resources.
- The financial statements include increased disclosures on functional expenses.

Adoption of the ASU did not result in any reclassifications or restatements to net assets.

NOTE 11 - 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, 2019, the date the financial statements were available to be issued.