

New River Valley Child Advocacy,  
Resources, Education and Services



Financial Report  
For the Year Ended June 30, 2023

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

Financial Report

For the Year Ended June 30, 2023

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and Services (NRV CARES)  
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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, 2023, 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, 2023, 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.

***Change in Accounting Principle***

As described in Note 11 to the financial statements, in 2023, New River Valley Cares adopted new accounting guidance, FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and FASB ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

***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 Jarmon, Cox, Associates*

Blacksburg, Virginia  
August 18, 2023

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

**Statement Of Financial Position  
As Of June 30, 2023**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 101,519
Grants Receivable	27,778
Prepaid Expenses	11,038
Total Current Assets	<u>\$ 140,335</u>

Noncurrent Assets:

Certificates of Deposit	\$ 21,993
Property, Plant, and Equipment:	
Property and Equipment (Net of Accumulated Depreciation)	1,432
Operating Lease Right-Of-Use Asset	50,381
Total Property, Plant, and Equipment:	<u>51,813</u>
Total Noncurrent Assets	<u>\$ 73,806</u>

Total Assets	<u><u>\$ 214,141</u></u>
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**LIABILITIES AND NET ASSETS**

Liabilities:

Current Liabilities:

Accounts Payable	\$ 1,129
Accrued Payroll	6,614
Compensated Absences	16,392
Current Operating Lease Liability	20,271
Total Current Liabilities	<u>\$ 44,406</u>

Noncurrent Liabilities:

Noncurrent Operating Lease Liability	\$ 30,110
Total Liabilities	<u>\$ 74,516</u>

Net Assets:

Net Assets Without Donor Restrictions	\$ 127,727
Net Assets With Donor Restrictions	11,898

Total Net Assets	<u>\$ 139,625</u>
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Total Liabilities and Net Assets	<u><u>\$ 214,141</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, 2023**

<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Contributions	\$ 61,424	\$ 446	\$ 61,870
Grants and Foundation Funding	165,769	11,452	177,221
United Way and United Fund	4,695	-	4,695
Fundraising	61,110	-	61,110
Local Government Funding	11,800	-	11,800
Program Fees	6,823	-	6,823
Interest	1,421	-	1,421
In Kind Revenues	7,949	-	7,949
Amounts released from restriction	26,790	(26,790)	-
Total Revenues, Gains, and Other Support	<u>\$ 347,781</u>	<u>\$ (14,892)</u>	<u>\$ 332,889</u>
<b>EXPENSES:</b>			
<b>Program Services:</b>			
CASA	\$ 136,725	\$ -	\$ 136,725
Community Education	33,191	-	33,191
Parent Education	126,385	-	126,385
<b>Supporting Services:</b>			
Management and General	25,900	-	25,900
Fundraising	24,707	-	24,707
Total Expenses	<u>\$ 346,908</u>	<u>\$ -</u>	<u>\$ 346,908</u>
Change in Net Assets	\$ 873	\$ (14,892)	\$ (14,019)
Beginning Net Assets	<u>126,854</u>	<u>26,790</u>	<u>153,644</u>
Ending Net Assets	<u>\$ 127,727</u>	<u>\$ 11,898</u>	<u>\$ 139,625</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, 2023

EXPENSES:	Program Services			Supporting Services		Total
	CASA	Community Education	Parent Education	Management and General	Fundraising	
Salaries and Fringes	\$ 109,566	\$ 26,907	\$ 103,939	\$ 22,055	\$ 9,665	\$ 272,132
Travel	1,292	75	207	-	-	1,574
Rent and Utilities	9,224	1,847	8,774	1,120	538	21,503
Program Expense	948	1,810	3,072	-	-	5,830
Insurance	4,968	194	921	1,220	57	7,360
Office Expenses	2,796	352	2,394	596	191	6,329
Professional Fees	2,317	464	2,202	282	135	5,400
Depreciation	455	91	433	56	28	1,063
Dues and Fees	458	552	175	24	11	1,220
Information Technology	1,191	216	1,025	133	63	2,628
In-Kind	3,410	683	3,243	414	199	7,949
Pinwheel Garden Kits	-	-	-	-	275	275
Tree of Hope	-	-	-	-	246	246
Event and Auction	-	-	-	-	13,299	13,299
Total Expenses	<u>\$ 136,725</u>	<u>\$ 33,191</u>	<u>\$ 126,385</u>	<u>\$ 25,900</u>	<u>\$ 24,707</u>	<u>\$ 346,908</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, 2023**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase (decrease) in net assets	\$	(14,019)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		1,063
Interest on investments reinvested		(263)
(Increase) decrease in prepaid expenses		(3,244)
(Increase) decrease in operating lease right-of-use asset		19,428
(Increase) decrease in grants receivable		(3,863)
Increase (decrease) in accounts payable		475
Increase (decrease) in compensated absences		158
Increase (decrease) in accrued payroll		(8,743)
Increase (decrease) in operating lease liabilities		<u>(19,428)</u>
Net cash provided by (used for) operating activities	\$	<u>(28,436)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment	\$	<u>(575)</u>
Net increase (decrease) in cash and cash equivalents	\$	(29,011)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>130,530</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	<u><u>101,519</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, 2023

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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, 2023, the Organization had net assets without donor restriction of \$127,727.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 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, 2023, the Organization had net assets with donor restrictions of \$11,898.

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 \$21,993 are included in the accompanying financial statements. The certificates bear interest rates of 2.9600% and 0.0700% and have maturity dates of February 08, 2025 and November 18, 2026, respectively.

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

### Notes to Financial Statements As of June 30, 2023

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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, 2023, this amount totaled \$16,392.

##### 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.

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. In-Kind Contributions

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.

##### I. 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, 2023, grants receivable totaled \$27,778. The Organization had no bad debt expense for the year ended June 30, 2023.

#### 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, 2023

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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, equipment and 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, 2023:

Furniture and Equipment	\$ 15,510
Less: Accumulated Depreciation	(14,078)
Net Property, Plant and Equipment	<u>\$ 1,432</u>

Depreciation expense for the year ended June 30, 2023 was \$1,063.

#### 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. The Organization received contributed IT Services for part of operations, details of how contributions meet recognition criteria are detailed below:

<u>Type</u>	<u>Received</u>	<u>Use Restriction</u>	<u>Fair Value Techniques</u>
IT Services	\$ 7,949	None	Fair value of services as provided by vendor

#### 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 (\$15,500 in 2023). 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, 2023, NRV CARES contributed \$3,765 on behalf of its employees.

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

### Notes to Financial Statements As of June 30, 2023

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#### Note 8 - Leasing Activities

The Organization has operating lease agreements for office space and certain equipment. Leases have remaining lease terms of 2 to 4 years, some of which include options to extend the leases within six months of the lease expiration date. Lease terms exclude any extension options that the Organization is not reasonably certain to exercise; therefore, no extensions have been included in the current year calculations. The discount rate is approximated by the prime rate plus 1 as of the lease issuance date for agreements that do not contain an implicit rate.

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<u>Operating leases</u>
Weighted average remaining lease term	2.45
Discount rate	4.25%

Total operating lease expense totaled \$22,020 and cash payments totaled \$22,020 for the fiscal year. There were no noncash investing and financing transactions related to leasing during the year.

Future maturities of lease liabilities are as follows:

<u>Year</u>	<u>Operating Leases</u>
2024	\$ 22,020
2025	22,020
2026	8,220
2027	880
Total lease payments	<u>53,140</u>
Less interest	(2,759)
Present value of lease liabilities	<u><u>\$ 50,381</u></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>2023</u>
Cash and Cash Equivalents	\$ 101,519
Grants Receivable	<u>27,778</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 129,297</u></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.

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

### Notes to Financial Statements As of June 30, 2023

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#### Note 10 - Net Assets with Donor Restrictions

At June 30, 2023, net assets with donor restrictions are available for the following purposes:

Parent Education	\$	7,500
Parenting Young Children		446
CASA		3,952
Total Net Assets with Donor Restrictions	\$	<u>11,898</u>

#### Note 11 - Adoption of Accounting Principles

The FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. Notes to the financial statements have been updated to reflect the adoption of ASU 2020-07.

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 requires that lessees recognize all leases (other than leases with a term of twelve months or fewer) on the balance sheet as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets. ASU No. 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model, including guidance on separating components of a contract and consideration in the contract. The Organization recognized the following as a result of the adoption of this standard:

Operating Lease Right-Of-Use Asset	\$	69,809
Operating Lease Liability	\$	<u>69,809</u>

#### Note 12 - Date of Managements Review

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition of disclosure through August 18, 2023, the date the financial statements were available to be issued.