

Paralyzed Veterans of America - Wisconsin Chapter Inc.

Audited Financial Statements

For the years ended September 30, 2021 and 2020

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Paralyzed Veterans of America - Wisconsin Chapter Inc.

Audited Financial Statements  
For the years ended September 30, 2021 and 2020

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## **Independent Auditor's Report**

Board of Directors  
Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Milwaukee, Wisconsin 53202

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Paralyzed Veterans of America - Wisconsin Chapter Inc., which comprise the statement of financial position as of September 30, 2021 and 2020, and the related statements of activities and net assets and cash flows for the years then ended, the related statement of functional expenses for the years ended September 30, 2021 and 2020, 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paralyzed Veterans of America - Wisconsin Chapter Inc. as of September 30, 2021 and 2020, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Bruce Michael Redlin, CPA, LLC*

Bruce Michael Redlin, CPA, LLC  
Certified Public Accountant  
West Allis, Wisconsin  
November 2, 2021

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Statement of Financial Position  
For the years ended September 30, 2021 and 2020

	<b>Assets</b>	
	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash and Equivalents	\$ 87,863	\$ 83,120
Other Receivables and Prepaid Expenses	<u>775</u>	<u>775</u>
<b>Total Current Assets</b>	<u>88,638</u>	<u>83,895</u>
<b>Property and Equipment</b>		
Office Furniture and Equipment	51,175	51,175
Less: Accumulated Depreciation	<u>(50,379)</u>	<u>(48,197)</u>
<b>Net Property and Equipment</b>	<u>796</u>	<u>2,978</u>
<b>Other Assets</b>		
Land Contract Receivable	<u>160,300</u>	<u>189,940</u>
<b>Total Other Assets</b>	<u>160,300</u>	<u>189,940</u>
<b>Investments</b>	<u>1,147,984</u>	<u>899,500</u>
<b>Total Assets</b>	<u>\$ 1,397,718</u>	<u>\$ 1,176,313</u>
	<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>		
Accounts Payable	\$ -	\$ 11,871
Accrued Liabilities	<u>3,067</u>	<u>1,686</u>
<b>Total Current Liabilities</b>	<u>3,067</u>	<u>13,557</u>
<b>Net Assets</b>		
Without Donor Restrictions	<u>1,394,651</u>	<u>1,162,756</u>
<b>Total Net Assets</b>	<u>1,394,651</u>	<u>1,162,756</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,397,718</u>	<u>\$ 1,176,313</u>

The accompanying notes are an integral part of these financial statements.

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Statement of Activities and Net Assets  
For the years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Without Donor Restrictions -</b>		
Support and Revenue		
Fundraising and Contributions (less \$250 in expenses)	\$ 189,120	\$ 273,809
PVA and Other Grants	183,159	214,674
Event Registration Fees	-	-
Investment Income	152,242	39,779
Other Income	<u>13,977</u>	<u>4,200</u>
 Total Support and Revenue Without Donor Restrictions Before Net Assets Released for Restrictions	 538,498	 532,462
 Net Assets Released from Restrictions	 <u>-</u>	 <u>-</u>
 Total Without Donor Restrictions Support and Revenue	 <u>538,498</u>	 <u>532,462</u>
 <b>Without Donor Restrictions Expenses</b>		
Program Services		
Membership and Benefits	116,901	89,402
Public Affairs	132,518	85,583
Research and Education	<u>24,646</u>	<u>20,821</u>
 Total Program Services	 274,065	 195,806
 Management and General Fundraising	 18,461 <u>14,077</u>	 12,368 <u>11,567</u>
 Total Expenses	 <u>306,603</u>	 <u>219,741</u>
 <b>Change in Net Assets Without Donor Restrictions</b>	 231,895	 312,721
 <b>Restricted Net Assets</b>		
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>
 <b>Change in Restricted Net Assets</b>	 <u>-</u>	 <u>-</u>
 <b>Change in Net Assets</b>	 231,895	 312,721
 <b>Net Assets</b>		
Beginning of Year	<u>1,162,756</u>	<u>850,035</u>
End of Year	<u>\$ 1,394,651</u>	<u>\$ 1,162,756</u>

The accompanying notes are an integral part of these financial statements.

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Statement of Cash Flows  
For the years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Changes in Net Assets	\$ 231,895	\$ 312,721
Add (deduct):		
Depreciation	2,182	2,608
Realized (Gain) Loss on Investments	(21,682)	1,390
Unrealized (Appreciation) Depreciation of Investments	(154,969)	(28,253)
Increase or (Decrease) in Cash and Cash Equivalents		
Due to Changes in		
Land Contract Receivable	29,640	32,336
Accounts Payable	(11,871)	(150)
Accrued Liabilities	<u>1,381</u>	<u>(4,053)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>76,576</u>	<u>316,599</u>
<b>Cash Flows from Investing Activities</b>		
Sales of Investments	408,645	279,574
Purchases of Investments	<u>(480,478)</u>	<u>(579,653)</u>
<b>Net Cash Flow from Investing Activities</b>	<u>(71,388)</u>	<u>(300,079)</u>
<b>Net Change in Cash and Cash Equivalents</b>	4,743	16,520
<b>Cash and Cash Equivalents</b>		
Beginning of the Year	<u>83,120</u>	<u>66,600</u>
End of the Year	<u>\$ 87,863</u>	<u>\$ 83,120</u>

The accompanying notes are an integral part of these financial statements.

PARALYZED VETERANS OF AMERICA - WISCONSIN CHAPTER INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

(With Summarized Totals for the Year Ended September 30, 2020)

	PROGRAM SERVICES				SUPPORTING SERVICES		2021 Totals	2020 Totals
	Membership and Benefits	Public Affairs	Research and Education	Total	Management and General	Fundraising		
Compensation, Taxes and Benefits	\$ 24,049	\$ 20,605	\$ 2,765	\$ 47,418	\$ 1,936	\$ 2,286	\$ 51,639	72,153
Professional and Consulting	19,255	16,497	2,212	37,965	1,563	1,819	41,347	36,292
Occupancy	14,661	9,133	5,090	28,884	2,397	793	32,073	38,420
Office Supplies and Expenses	40,380	15,269	8,946	64,595	5,621	4,732	74,948	18,357
Postage and Shipping	1,305	226	7	1,538	112	557	2,207	2,198
Printing, Publications and Promotion	6,261	316	-	6,576	502	2,222	9,300	12,718
Dues and Subscriptions	113	756	-	869	1,108	64	2,041	1,791
Conferences, Meetings and Travel	9,948	53,978	-	63,927	4,305	1,332	69,563	9,758
Awards, Scholarships, Grants	109	15,193	5,354	20,656	645	-	21,301	25,445
Total Expenses Before Depreciation	116,083	131,972	24,374	272,428	18,188	13,805	304,421	217,133
Depreciation	818	546	273	1,637	273	273	2,182	2,608
Total 2021 Expenses	<u>\$ 116,901</u>	<u>\$ 132,518</u>	<u>\$ 24,646</u>	<u>\$ 274,065</u>	<u>\$ 18,461</u>	<u>\$ 14,078</u>	<u>\$ 306,603</u>	219,741
Total 2020 Expenses	<u>\$ 89,401</u>	<u>\$ 85,583</u>	<u>\$ 20,821</u>	<u>\$ 195,806</u>	<u>\$ 12,369</u>	<u>\$ 11,567</u>		<u>\$ 219,741</u>

The accompanying notes are an integral part of this schedule.

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Notes to Financial Statements  
For the years ended September 30, 2021 and 2020

**Note 1. Nature of the Operations**

Paralyzed Veterans of America - Wisconsin Chapter Inc. (PVA-WI and/or the organization) is one of 33 chapters of Paralyzed Veterans of America (PVA). Founded in 1946, PVA is organized to provide services to veterans with spinal cord injury or disease, MS or ALS and be an advocate for the disabled community. PVA-WI gained admission in PVA in 1980 and received its Chapter Charter in November 1981. The national organization, PVA, has agreed to support PVA-WI with an annual chapter grant. The approved PVA annual grant for the remaining nine months ending June 30, 2022 is \$108,750.

In order to provide services to veterans and be an advocate for the disabled community, PVA-WI has several programs. Program services include:

**Membership and Benefits** - Each PVA chapter is required to maintain an active outreach program to maintain members and solicit new members. Benefit services include a hospital liaison, National Service Office referrals, education, etc. Each PVA chapter is also required to maintain member contact, producing and distributing publications.

**Public Affairs** - Each PVA chapter is required to be proactive in legislation, civil rights and barrier-free design and to create public awareness of issues of concern to members using news media. Additionally, each chapter must provide a program to improve the quality of life of paralyzed veterans and other persons with disabilities by assisting with the expansion of both the quality and quantity of opportunities in sports and recreation, especially those activities that enhance lifetime health and fitness.

**Research and Education** - In order to support research and education in the areas of care and cure of veterans with paralysis, PVA established the PVA Research Foundation and the PVA Education Foundation. PVA chapters are encouraged to support programs directed toward research and education.

**Fundraising** - Each PVA chapter is required to operate a program to raise funds in order to further implement and enhance the other PVA chapter programs.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Accounting** - The financial statements of the organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation** – The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:



Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Notes to Financial Statements  
For the years ended September 30, 2021 and 2020

**Note 2. Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued) –**

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives for specific operational purposes from time to time.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates –** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Cash and Cash Equivalents –** The organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. Cash is held primarily in four checking and savings accounts at banks in southeastern Wisconsin. The Federal Deposit Insurance Corporation (FDIC) provides limited insurance on cash deposits. At times, the organization's cash deposits may exceed the FDIC insurance limit, however, the organization does not expect to experience any losses on its cash deposits.

**Investments –** Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical investments (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows.

Level 1 - Valuation is based upon quoted prices in active markets for identical investments.

Level 2 - Valuation is based upon other significant observable inputs (including quoted prices for similar investments).

Level 3 - Valuation is based upon significant unobservable inputs (including the plan's assumptions in determining the fair value of investments).

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Notes to Financial Statements  
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**Note 2. Summary of Significant Accounting Policies (continued)**

**Investments (continued)**

The fair value methodology applied by the organization may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different value measurement at the reporting date.

The organization determined the fair values of its investment securities using quoted prices in active markets. As such, this valuation falls under level 1 of the fair value hierarchy described above. The investments, managed by Morgan Stanley, LLC, are comprised of the following as of September 30,

	2021	2020
Mutual Funds	\$ 914,642	\$ 730,753
Exchange Traded Funds	233,342	168,747
Total Investments	\$ 1,147,984	\$ 899,500

Following is a summary of the investment income.

	2021	2020
Dividends and Capital Gains	\$ 19,951	\$ 12,916
Realized Gains (Loss)	21,682	(1,390)
Unrealized Gains (Loss)	110,609	28,253
Total Investment Income	\$ 152,242	\$ 39,779

**Property and Equipment** – Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at the fair value on the date of the donation. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis

Building and Improvements	7 to 39 years
Office Furniture and Equipment	5 to 7 years

**Long-lived Assets** – The organization annually considers whether indicators of impairment of long-lived assets held for use are present. If such indicators are present, the organization determines

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**Note 2. Summary of Significant Accounting Policies (continued)**

whether the sum of the estimated undiscounted future cash flow attributable to such assets is less than their carrying amounts, and if so, the organization would recognize an impairment loss based on the excess of the carrying amount of the assets over their fair value. Management has determined that no such impairment was present as of September 30, 2021 and 2020. Depreciation for the years ended September 30, 2021 and 2020 was \$2,182 and \$2,608 respectively.

**Revenue Recognition** – Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and / or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. The Organization reported no donor-restricted assets as of September 30, 2021 and 2020.

Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions. Conditional promises to give are recognized as revenue only when the conditions on which they depend are substantially met and the promises become unconditional.

**Donated Services** - 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. There were no donated services in 2021 and 2020.

**Tax-exempt Status** – The organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes that it has appropriate support for any tax positions related to unrelated business activities, if any, and as such, does not have any uncertain tax positions that are material to the financial statements. The organization's federal and state tax returns are subject to examination by taxing authorities, generally for three years after they were filed for the federal forms and four years for the state forms.

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Notes to Financial Statements  
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**Note 2. Summary of Significant Accounting Policies (continued)**

**New Accounting Pronouncements:** On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Paralyzed Veterans of America - Wisconsin Chapter Inc has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Note 3. Liquidity Line of Credit**

The organization has a \$225,031 available liquidity line of credit at Morgan Stanley with the interest set weekly by the lender. The rate at September 30, 2021 was 4.08%. As of September 30, 2021, and 2020 the balance on the line of credit was \$0 and \$0 respectively.

**Note 4. Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities and Statement of Functional Expenses. Membership and benefits expense include the newsletter, hospital liaison, elections and meetings. Sport activities (including the NVWG) and legislative and advocacy activities are included in public affairs. Education includes grants to those pursuing programs to assist disabled persons. Personnel costs, occupancy and depreciation costs are allocated among the programs and supporting services benefited based on estimates made by management.

**Note 5. Liquidity**

Paralyzed Veterans of America – Wisconsin Chapter, Inc.’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2021	2020
Cash and Cash Equivalents	\$ 87,863	\$ 83,120
Investments	1,147,984	899,500
Land Contract Receivable	40,000	40,000
Prepaid Expenses	775	775
Total	\$ 1,276,622	\$ 1,023,395

As part of Paralyzed Veterans of America – Wisconsin Chapter, Inc.’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Paralyzed Veterans of America – Wisconsin Chapter, Inc invests cash in excess of daily requirements in short-term investments.

Paralyzed Veterans of America - Wisconsin Chapter Inc.  
Notes to Financial Statements  
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**Note 6. Subsequent Events**

Management has evaluated subsequent events through November 2, 2021, the date on which the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact income. The related duration and financial impact, if any, cannot be reasonably estimated at this time.