



## AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 and 2016

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT .....	1
STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016).....	2
STATEMENTS OF ACTIVITIES Year Ended SEPTEMBER 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016).....	3
STATEMENTS OF FUNCTIONAL EXPENSES Year Ended SEPTEMBER 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016).....	4
STATEMENTS OF CASH FLOWS Year Ended SEPTEMBER 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016).....	5
NOTES TO THE FINANCIAL STATEMENTS .....	6



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Paralyzed Veterans of America – Buckeye Chapter, Inc.

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

We have audited the accompanying financial statements of the Paralyzed Veterans of America – Buckeye Chapter, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses, 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.

### ***Auditor's 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 of 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, 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 the Paralyzed Veterans of America – Buckeye Chapter, Inc. as of September 30, 2017 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.

### ***Report on Summarized Comparative Information***

We previously audited Paralyzed Veterans of America – Buckeye Chapter, Inc. 2016 financial statements, and our report dated December 17, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cleveland, Ohio  
January 8, 2018

*H&J*  
*Certified Public Accountants*



**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 91,607	\$ 41,757
Prepaid Expenses	13,798	2,965
	<u>105,405</u>	<u>44,722</u>
OTHER ASSETS:		
Investments	<u>1,503,661</u>	<u>1,414,376</u>
Total Assets	<u>\$ 1,609,066</u>	<u>\$ 1,459,098</u>
 <b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 993	\$ 10,501
Accrued Payroll-Related	-	318
Total Current Liabilities	<u>993</u>	<u>10,819</u>
NET ASSETS:		
Unrestricted	1,579,187	1,443,535
Temporarily Restricted	28,886	4,744
	<u>1,608,073</u>	<u>1,448,279</u>
Total Liabilities & Net Assets	<u>\$ 1,609,066</u>	<u>\$ 1,459,098</u>

See accompanying notes.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

	Temporarily Restricted	Unrestricted	2017	2016
<b>REVENUE</b>				
NVWG-Related	\$ -	\$ 203,000	\$ 203,000	\$ -
National Paralyzed VOA Grants	-	158,084	158,084	158,079
Bequest	-	55,000	55,000	-
Individuals & Corporations	5,000	43,817	48,817	46,638
Foundations and Other	20,000	10,000	30,000	5,000
Donated Occupancy	-	18,000	18,000	18,000
Athletic Events	-	13,857	13,857	19,182
Special Events, Net of Direct Donor Benefits of \$22,054 (2017) and \$10,576 (2016)	-	13,608	13,608	12,058
National Paralyzed VOA - Other Grants	-	4,082	4,082	9,326
Investment Income	-	16	16	5
Net Assets Released from Restrictions	(858)	858	-	-
<b>TOTAL REVENUE</b>	<b>24,142</b>	<b>520,322</b>	<b>544,464</b>	<b>268,288</b>
<b>EXPENSES</b>				
Program Services				
Membership & Benefits	-	115,539	115,539	117,497
Public Affairs - Chapter	-	182,149	182,149	163,118
Public Affairs - NVWG	-	181,709	181,709	-
Research	-	1,547	1,547	2,000
<b>Total Program Services</b>	<b>-</b>	<b>480,944</b>	<b>480,944</b>	<b>282,615</b>
Supporting Services				
Management & General	-	26,386	26,386	28,491
Fund Raising	-	11,625	11,625	9,591
<b>Total Supporting Services</b>	<b>-</b>	<b>38,011</b>	<b>38,011</b>	<b>38,082</b>
<b>TOTAL EXPENSES</b>	<b>-</b>	<b>518,955</b>	<b>518,955</b>	<b>320,697</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>24,142</b>	<b>1,367</b>	<b>25,509</b>	<b>(52,409)</b>
<b>INVESTMENT INCOME</b>	<b>-</b>	<b>134,285</b>	<b>134,285</b>	<b>125,406</b>
<b>CHANGE IN NET ASSETS</b>	<b>24,142</b>	<b>135,652</b>	<b>159,794</b>	<b>72,997</b>
<b>NET ASSETS – Beginning</b>	<b>4,744</b>	<b>1,443,535</b>	<b>1,448,279</b>	<b>1,375,282</b>
<b>NET ASSETS – Ending</b>	<b>\$ 28,886</b>	<b>\$ 1,579,187</b>	<b>\$ 1,608,073</b>	<b>\$ 1,448,279</b>

See accompanying notes.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

EXPENSES	Membership & Benefit	Public Affairs		Research	Total	General & Administrative	Fund Raising	Total	2017	2016
		Chapter	NVWG							
Salaries	\$ 40,353	\$ 36,020	\$ 4,333	\$ -	\$ 80,706	\$ 5,395	\$ 5,395	\$ 10,790	\$ 91,496	\$ 84,078
Payroll Taxes	3,795	3,448	347	-	7,590	518	517	1,035	8,625	8,416
Employee Benefits	1,958	1,701	257	-	3,916	267	266	533	4,449	4,738
	<u>46,106</u>	<u>41,169</u>	<u>4,937</u>	<u>-</u>	<u>92,212</u>	<u>6,180</u>	<u>6,178</u>	<u>12,358</u>	<u>104,570</u>	<u>97,232</u>
Occupancy	21,464	25,688	119,167	47	166,366	2,215	886	3,101	169,467	50,547
Conferences, Meeting, & Travel	2,154	94,081	57,243	-	153,478	596	62	658	154,136	54,390
Awards & Grants	29,216	19,087	-	1,500	49,803	-	-	-	49,803	59,227
Printing, Publications & Promotion	3	552	-	-	555	884	2,145	3,029	3,584	11,398
Newsletter	16,371	-	-	-	16,371	-	-	-	16,371	20,283
Professional & Consulting	-	-	362	-	362	12,728	-	12,728	13,090	12,767
Office Supplies & Expense	-	382	-	-	382	2,151	935	3,086	3,468	4,632
Dues & Subscriptions	225	595	-	-	820	1,272	135	1,407	2,227	588
Contracted Services	-	595	-	-	595	360	935	1,295	1,890	9,155
Events	-	-	-	-	-	-	349	349	349	478
<b>TOTAL EXPENSES</b>	<u>\$ 115,539</u>	<u>\$ 182,149</u>	<u>\$ 181,709</u>	<u>\$ 1,547</u>	<u>\$ 480,944</u>	<u>\$ 26,386</u>	<u>\$ 11,625</u>	<u>\$ 38,011</u>	<u>\$ 518,955</u>	<u>\$ 320,697</u>

See accompanying notes.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

STATEMENTS OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 159,794	\$ 72,997
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used by) Operating Activities:		
Investment Return Gain	(134,285)	(125,406)
Impact on Cash from Changes in:		
Prepaid Expenses	(10,833)	31
Deposits	-	280
Accounts Payable	(9,508)	10,035
Accrued Payroll-Related	(318)	(2,749)
Total Adjustments	<u>(154,944)</u>	<u>(117,809)</u>
Cash Provided by (Used by) Operating Activities	<u>4,850</u>	<u>(44,812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Proceeds from Sale of Investments	<u>45,000</u>	<u>60,000</u>
Cash Provided by Investing Activities	<u>45,000</u>	<u>60,000</u>
NET INCREASE IN CASH	49,850	15,188
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	<u>41,757</u>	<u>26,569</u>
CASH & CASH EQUIVALENTS - AT END OF YEAR	<u><u>\$ 91,607</u></u>	<u><u>\$ 41,757</u></u>

See accompanying notes.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

NOTES:

NATURE OF OPERATIONS AND MISSION STATEMENT

The Paralyzed Veterans of America, Inc. - Buckeye Chapter (the Chapter) was incorporated in 1972 in the State of Ohio and is an affiliated member of the Paralyzed Veterans of America (the National Organization) located in Washington, DC and must adhere to certain rules, regulations, and guidelines as set forth by the National Organization in fulfilling their purposes.

The mission of the Chapter is to strive to improve the quality of life of honorably discharged veterans who have spinal cord injury, dysfunction, or illness including but not limited to multiple sclerosis and ALS (Lou Gehrig's disease) through advocacy, medical research, sports and recreation, education, and communication.

The Chapter has developed a unique expertise on a wide variety of issues involving the special needs of our members – veterans of the armed forces who have experienced spinal cord injury or dysfunction.

The Chapter will use that expertise to be the leading advocate for:

- Quality health care for our members
- Research and education addressing spinal cord injury and dysfunction
- Benefits available as a result of our members' military service
- Civil rights and opportunities which maximize the independence of our members

To enable the Chapter to continue to honor this commitment, we must recruit and train members who have the experience, energy, dedication, and passion necessary to manage the Chapter and ensure adequate resources to sustain the programs essential for the Chapter to achieve its mission.

The Chapter is a Better Business Bureau-accredited charity, meeting all 20 "Standards of Charity Accountability."

The Chapter's website address is [www.buckeyeepva.org](http://www.buckeyeepva.org).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain 2016 comparative amounts. Such total amounts, for 2016 only do not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such amounts should be read in conjunction with the Chapter's financial statements for the year ended September 30, 2016, from which the comparative total amounts were derived. The auditor's report dated December 17, 2016 expressed an unmodified opinion on those financial statements.

BASIS OF ACCOUNTING

The financial statements of the Chapter have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

BASIS OF PRESENTATION

The Chapter is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

RECLASSIFICATIONS

Certain amounts for the year ended September 30, 2016 have been reclassified to reflect comparability with the September 30, 2017 presentation.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

## NOTES (CONTINUED):

RECOGNITION OF CONTRIBUTION REVENUE

Contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions. Permanently restricted net assets represent endowment fund which are subject to donor restrictions that the contributed principal be invested in perpetuity and only the income be utilized.

The Chapter considers all contributions to be unrestricted unless specifically restricted by the donor.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable for the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions of cash or other assets restricted to the acquisition of long-lived assets are recorded as temporarily restricted contributions. If there are no donor restrictions on the long-lived asset's use, the donor restrictions are considered met once the long-lived assets are acquired and the temporarily restricted net assets are reclassified to the unrestricted net asset class.

INCOME TAX STATUS

The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Chapter currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Chapter's policy is to record a liability for any tax position taken that is beneficial to the Chapter, including penalties and interest, when it is more likely than not the position taken will be overturned by a taxing authority upon examination. Management believes there are no such positions as of September 30, 2017 and, accordingly, no liability has been accrued.

FAIR VALUE MEASUREMENTS

FASB ASC Topic Fair Value Measurements and Disclosures defines fair value and establishes a framework for measuring fair value for those assets and liabilities that are measured at fair value on a recurring basis. In accordance with the Fair Value Measurements and Disclosures Topic, the Chapter has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For the Chapter, the financial assets and liabilities reported at fair value are based upon quoted prices for identical assets or liabilities in an active market that the Chapter has the ability to access (Level 1). As of and for the years ended September 30, 2017 and 2016, only the Chapter's investments, as described in Note 2 to these financial statements, were measured at fair value on a recurring basis and are subject to the Fair Value Measurements and Disclosures Topic of FASB ASC.

CONCENTRATIONS

The Chapter received a significant portion of its annual revenue from the Paralyzed Veterans of America (PVA), under which the Chapter is chartered and required to comply with administrative and other rules. In 2017 and 2016, the Chapter received grants amounting to \$162,166 (30% of total revenue from operations) and \$167,405 (62% of total revenue from operations), respectively. A reduction in the amount of revenue provided by PVA would have a significant impact on the Chapter's ability to carry out its activities at current levels. Funding by PVA for 2018 has been pledged at the same level as in 2017.



**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

## NOTES (CONTINUED):

FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts for specific groups of financial instruments are presented within the notes applicable to such items. Accounts receivable and accounts payable are stated at cost, which approximates fair value, due to their short term maturity. The fair value of investments is disclosed in other notes and is based upon values calculated with either time-value discounts and values provided by external investment managers or quoted market values, respectively.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expense amounted to \$-0- for 2017 and 2016.

ACCOUNTS AND GRANTS OR PLEDGES RECEIVABLE

Accounts and grants or pledges receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance amount is \$-0- at September 30, 2017 and 2016.

DONATED MATERIALS AND SERVICES

Donated property, marketable securities and other non-cash donations are recorded as contributions at their fair market value at the date of donation.

The Chapter recognized donated occupancy in the amount of \$18,000 for 2017 and 2016 of which an amount of \$6,000 and has been recognized as a "public affairs" program occupancy expense, representing office space provided at the Veterans Administration Hospital (Cleveland, Ohio). The balance of donated occupancy is derived from the terms of the Chapter's office lease and has been allocated functionally based on the programs or support services benefited.

Board members and some volunteers of the Chapter have donated significant amounts of time in furthering the Chapter's programs and objectives. These services are in the areas of: strategic planning, legal, budgeting, fund raising, and computer technology. No amounts have been included in the financial statements for donated member or volunteer services described above since they did not meet the criteria for recognition.

FIXED ASSETS

The Chapter uses the straight-line method of depreciating fixed assets over the estimated useful lives ranging from five to ten years. The policy of the Chapter is to capitalize purchases over \$5,000. Depreciation expense was \$-0- for 2017 and 2016. Routine repairs and maintenance are expensed as incurred.

CASH AND CASH EQUIVALENTS

The Chapter's cash and cash equivalents, which are deposited in financial institutions, may at times exceed federally insured limits. The Chapter has not experienced losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents. Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

USE OF ESTIMATES

The preparation of financial statements in certain instances requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

## NOTES (CONTINUED):

INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value. The cost assigned to investments received by gift is the fair value at the date the gift is received. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average historical value (cost of securities if purchased or the fair market value at the date of gift if received by donation). Dividend and interest income is recorded on the accrual basis. In accordance with the policy of stating investments at fair value, the net change in unrealized appreciation or depreciation for the year is reflected in the Statement of Activities.

The various investments in stocks, securities, mutual funds, and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these instruments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Chapter.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires significantly expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU, as deferred one year by ASU No. 2015-04, is effective for annual reporting periods beginning after December 15, 2018. The Chapter is currently evaluating the impact on the financial statements and the options of adopting using either a full retrospective or a modified approach.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This amends current guidance that requires only capital leases to be recognized on the lessee balance sheet. ASU 2016-02 will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for the Chapter for reporting periods beginning after December 15, 2019 with early adoption permitted. The Chapter is currently evaluating the impact that ASU 2016-02 will have on its financial statements and will adopt the provisions upon the effective date.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. This standard intends to make certain improvements to the current reporting requirements for not-for-profit entities. This standard sets forth changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. ASU 2016-14 is effective for the Chapter for reporting periods beginning after December 15, 2017. The Chapter is currently evaluating the impact that ASU 2016-14 will have on its financial statements and will adopt the provisions upon the effective date.

SUBSEQUENT EVENTS

In preparing these financial statements, the Chapter has evaluated events and transactions for potential recognition or disclosure through January 8, 2018, the date the financial statements were available to be issued.

**2. RETIREMENT EXPENSE**

The Chapter has a contributory retirement plan, with a required 3% of wages contribution for all participating employees and a matching contribution of up to 3% of the employee's contribution. Retirement plan expense amounted to \$4,449 (2017) and \$4,738 (2016).

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

NOTES (CONTINUED):

**3. INVESTMENTS**

As of September 30, 2017 and 2016, the Chapter has valued all of its investments using quoted prices in active markets for identical assets (Level 1, as described in Note 1 to these financial statements).

	2017		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equities	\$ 775,819	\$ 989,075	\$ 213,256
Mutual Funds	342,167	327,222	(14,945)
Fixed Income	121,238	120,992	(246)
Cash Equivalents	66,372	66,372	-
	<u>\$ 1,305,596</u>	<u>\$ 1,503,661</u>	<u>\$ 198,065</u>
	2016		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equities	\$ 775,819	\$ 886,416	\$ 110,597
Mutual Funds	341,548	330,237	(11,311)
Fixed Income	193,245	192,872	(373)
Cash Equivalents	4,851	4,851	-
	<u>\$ 1,315,463</u>	<u>\$ 1,414,376</u>	<u>\$ 98,913</u>

The following schedule summarizes the investment return in the Statement of Activities for the years ended September 30:

	2017	2016
Net Unrealized Gain	\$ 99,327	\$ 68,691
Interest & Dividend Income	34,772	30,183
Realized Gain	186	26,532
	<u>\$ 134,285</u>	<u>\$ 125,406</u>

Investment expense for the years ended September 30, 2017 and 2016 were \$-0-.

The Chapter invests in a professionally managed portfolio that contains common shares of publicly-traded companies, mutual funds, and money market funds. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

**4. OPERATING LEASE COMMITMENTS**

The Chapter leases office space under an operating lease expiring on October 31, 2019. The base rent for the office space begins at \$2,800 per month, or \$33,600 per year. The annual base rent increases by \$1,200 effective November 1, 2017 for the remainder of the lease. An in-kind donation of \$1,000 per month, for the duration of this lease, is included in the contract and is reflected on the Statement of Activities as an in-kind donation. The value of the donation is management's estimate of the difference between the actual rent paid and the fair market value of rental space within the multi-office facility where the Chapter is a tenant.

The Chapter also leases office equipment at approximately \$200 per month, expiring in March 2018.

**PARALYZED VETERANS OF AMERICA, INC. – BUCKEYE CHAPTER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

NOTES (CONTINUED):

As of September 30, 2017, future minimum rental payments due under the terms of the operating lease agreements, net of any in-kind donation and including one final month in 2018 relating to the NVWG lease, are as follows:

2018	\$	34,000
2019		22,800
2020		<u>1,900</u>
	\$	<u>58,700</u>

For the years ended September 30, rent expense, including the in-kind donation and the facility rent for the NVWG, approximate \$159,000 in each of the years 2017 and 2016.

**5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at September 30 consist of the following:

<u>Restriction</u>	<u>2017</u>	<u>2016</u>
Food Coupon Program	\$ 25,000	\$ -
Mileage Assistance Program	3,886	4,744
	<u>\$ 28,886</u>	<u>\$ 4,744</u>

**6. DESCRIPTION OF PROGRAM SERVICES**

The following program services are included in the accompanying financial statements:

- Veterans benefits
- Wheelchair sports & recreation
- Spinal cord injury research
- Advocacy to eliminate architectural barriers and protect civil rights for persons with disabilities
- Referral services for assistive devices, housing, employment, and transportation
- Literature on a variety of topics, including self-care, independent living and disability rights

In July 2017, the Chapter acted as the host delegation for the National Veterans Wheelchair Games (NVWG), held in Cincinnati, Ohio. Contributions to the Chapter to assist with expenses relating to the NVWG have been disclosed separately on the Statement of Activities. The direct and allocated expenses relating to the NVWG have been disclosed separately on the Statement of Functional Expenses.