



# AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

(With Comparative Financial Information for  
the Year Ended September 30, 2019)

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT .....	1
STATEMENTS OF FINANCIAL POSITION .....	2
STATEMENTS OF ACTIVITIES .....	3
STATEMENTS OF FUNCTIONAL EXPENSES.....	4
STATEMENTS OF CASH FLOWS.....	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 Chapter), which comprise the statement of financial position as of September 30, 2020, 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, 2020 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. 2019 financial statements, and our report dated January 16, 2020, 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, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cleveland, Ohio  
December 17, 2020

*H&J*  
*Certified Public Accountants*



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

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	\$ 116,436	\$ 48,793
Prepaid Expenses	9,212	2,000
	<u>125,648</u>	<u>50,793</u>
<b>OTHER ASSETS:</b>		
Investments	<u>1,580,650</u>	<u>1,518,330</u>
<b>Total Assets</b>	<u><u>\$ 1,706,298</u></u>	<u><u>\$ 1,569,123</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 960	\$ 13,896
Accrued Compensation	<u>4,000</u>	<u>-</u>
<b>Total Liabilities</b>	4,960	13,896
<b>NET ASSETS:</b>		
Without Donor Restrictions	1,699,150	1,553,039
With Donor Restrictions	<u>2,188</u>	<u>2,188</u>
<b>Total Liabilities and Net Assets</b>	<u>1,701,338</u>	<u>1,555,227</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,706,298</u></u>	<u><u>\$ 1,569,123</u></u>

See accompanying notes.

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

STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	WITH DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	2020	2019
REVENUE				
Bequest	\$ -	\$ 224,339	224,339	\$ -
National Paralyzed VOA Grants	-	145,762	145,762	144,790
Individuals & Corporations	-	82,038	82,038	54,670
Donated Occupancy	-	18,000	18,000	18,000
Special Events, Net	-	8,353	8,353	8,487
Athletic Events	-	480	480	8,561
Miscellaneous	-	174	174	137
TOTAL REVENUE	-	479,146	479,146	234,645
EXPENSES				
Program Services				
Membership & Benefits	-	217,838	217,838	124,165
Public Affairs - Chapter	-	91,940	91,940	180,975
Research	-	1,500	1,500	1,500
Total Program Services	-	311,278	311,278	306,640
Supporting Services				
Management & General	-	34,664	34,664	29,755
Fundraising	-	4,523	4,523	11,050
Total Supporting Services	-	39,187	39,187	40,805
TOTAL EXPENSES	-	350,465	350,465	347,445
CHANGE IN NET ASSETS FROM OPERATIONS	-	128,681	128,681	(112,800)
INVESTMENT INCOME	-	17,430	17,430	16,190
CHANGE IN NET ASSETS	-	146,111	146,111	(96,610)
NET ASSETS – Beginning	2,188	1,553,039	1,555,227	1,651,837
NET ASSETS – Ending	\$ 2,188	\$ 1,699,150	\$ 1,701,338	\$ 1,555,227

See accompanying notes.

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

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	Membership & Benefit	Public Affairs	Research	Total	General & Administrative	Fundraising	Total	2020	2019
EXPENSES									
Salaries	\$ 61,894	\$ 41,786	\$ -	\$ 103,680	\$ 1,547	\$ 1,547	\$ 3,094	\$ 106,774	\$ 93,653
Payroll Taxes	4,929	3,327	-	8,256	123	123	246	8,502	8,040
Employee Benefits	209	140	-	349	5	5	10	359	4,131
	<u>67,032</u>	<u>45,253</u>	<u>-</u>	<u>112,285</u>	<u>1,675</u>	<u>1,675</u>	<u>3,350</u>	<u>115,635</u>	<u>105,824</u>
Awards & Grants	107,631	9,548	1,500	118,679	-	250	250	118,929	85,670
Occupancy	27,114	24,305	-	51,419	678	677	1,355	52,774	53,259
Conferences, Meeting, & Travel	4,006	11,310	-	15,316	266	37	303	15,619	51,120
Professional & Consulting	-	300	-	300	14,061	-	14,061	14,361	20,320
Contracted Services	-	1,024	-	1,024	10,759	185	10,944	11,968	2,416
Newsletter	11,472	-	-	11,472	-	-	-	11,472	14,837
Office Supplies & Expense	-	-	-	-	5,674	-	5,674	5,674	4,585
Printing, Publications & Promotion	414	-	-	414	240	1,699	1,939	2,353	7,189
Dues & Subscriptions	169	200	-	369	1,311	-	1,311	1,680	2,225
	<u>217,838</u>	<u>91,940</u>	<u>1,500</u>	<u>311,278</u>	<u>34,664</u>	<u>4,523</u>	<u>39,187</u>	<u>350,465</u>	<u>347,445</u>
TOTAL EXPENSES	<u>\$ 217,838</u>	<u>\$ 91,940</u>	<u>\$ 1,500</u>	<u>\$ 311,278</u>	<u>\$ 34,664</u>	<u>\$ 4,523</u>	<u>\$ 39,187</u>	<u>\$ 350,465</u>	<u>\$ 347,445</u>

See accompanying notes.

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

STATEMENTS OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 146,111	\$ (96,610)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used by) Operating Activities:		
Unrealized Loss on Investments	42,886	26,070
Reinvested Investment Income	(60,535)	(42,260)
Impact on Cash from Changes in:		
Prepaid Expenses	(7,212)	965
Accounts Payable	(12,936)	(1,216)
Accrued Compensation	4,000	-
Total Adjustments	<u>(33,797)</u>	<u>(16,441)</u>
Cash Provided by (Used by) Operating Activities	112,314	(113,051)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(224,671)	-
Sale of Investments	180,000	110,000
Cash Provided by (Used by) Investing Activities	<u>(44,671)</u>	<u>110,000</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	67,643	(3,051)
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	<u>48,793</u>	<u>51,844</u>
CASH & CASH EQUIVALENTS - AT END OF YEAR	<u>\$ 116,436</u>	<u>\$ 48,793</u>

See accompanying notes.

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

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

#### 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 Chapter) located in Washington, DC and must adhere to certain rules, regulations, and guidelines as set forth by the National Chapter 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 has also earned a GuideStar Gold Seal of Transparency.

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

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### BASIS OF PRESENTATION

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

THE CHAPTER classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Chapter and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Chapter. The Chapter's board may designate assets without restrictions 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 Chapter 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.

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

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

#### SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

Certain amounts in the prior-year summarized comparative information have been reclassified to be consistent with the presentation in the current-year financial statements. These classifications had no impact on changes in net assets as previously presented.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

#### CONCENTRATION OF CREDIT AND MARKET RISKS

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.

The cash and investment balances are in compliance with the investment policy of the Chapter and are overseen by the Chapter's finance committee.

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 2020 and 2019, the Chapter received grants amounting to \$145,762 (20% of total revenue from operations) and \$144,790 (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 2021 has been pledged at the same level as in 2020 (grant cycle runs July to June).

#### FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). THE CHAPTER groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- |         |  |
|---------|--|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.  |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none"> <li>• Quoted prices for similar assets/liabilities in active markets;</li> <li>• Quoted prices for identical or similar assets in non-active markets;</li> <li>• Inputs other than quoted prices that are observable for the asset/liability; and,</li> <li>• Inputs that are derived principally from or corroborated by other observable market data.</li> </ul> |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data.   |



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

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances. Provision for uncollectible pledges is determined based upon historical experience adjusted by management estimates of current economic factors, applied to gross campaign, excluding donor designations. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts.

INVESTMENTS

The Chapter records investments in securities at the fair value on date of purchase or donation and recognizes the unrealized gain or loss resulting from the difference between cost and market value in the statement of activities. Investments with readily determinable fair values are stated at fair market value in the statement of financial position. As a participant in pooled funds, the Chapter's ownership interest is based on the units held by the Chapter to the total of all units in the pooled funds. The pool is revalued quarterly and income and gains or losses are allocated to the participants based on their units.

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 2019 and 2018. Routine repairs and maintenance are expensed as incurred.

REVENUE AND REVENUE RECOGNITION

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Chapter. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restriction; otherwise, the contributions are recorded as net assets without donor restriction. The Chapter recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

The Chapter records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

The Chapter recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Chapter recognized donated occupancy in the amount of \$18,000 for 2019 and 2018 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

In addition, the Chapter receives services from a large number of volunteers who give significant amounts of their time to the Chapter's programs, fund raising campaigns, and management. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

FUNCTIONAL EXPENSE ALLOCATIONS

Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expenses, time spent by employees, and square footage of space used for various programs.

COMPENSATED ABSENCES

Employees of the Chapter are entitled to paid vacations, sick days, and personal days off depending on job classification, length of service, and other factors. The Chapter's policy is to recognize the costs of compensated absences when earned by its employees according to personnel policy.

ADVERTISING

Advertising is expensed as incurred.

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 Chapter 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, 2020 and, accordingly, no liability has been accrued.

ACCOUNTING GUIDANCE ADOPTED IN 2020

During 2020, the Chapter adopted the Financial Accounting Standards Board's (FASB) ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

During 2020, the Chapter adopted FASB's ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU amends the presentation of restricted cash and cash equivalents within the statement of cash flows. The new guidance requires that restricted cash and cash equivalents be added to cash and cash equivalents for purposes of the statements of cash flows. This ASU has been applied retrospectively to all periods presented. There were no material changes to the presentation of restricted cash and cash equivalents during 2020.

ACCOUNTING GUIDANCE PENDING ADOPTION

In May 2014, the 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. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2019. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. The Chapter is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**2. INVESTMENTS**

The Chapter carries investments at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

The fair value of investment assets, measured on a recurring basis at September 30 are as follows:

	Fair Value Measurements Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
At September 30, 2020:				
Equities	\$ 929,014	\$ -	\$ -	\$ 929,014
Mutual Funds	299,068	-	-	299,068
Fixed Income	99,816	-	-	99,816
Cash Equivalents	21,862	-	-	21,862
Held at the Cleveland Foundation	-	-	230,890	230,890
	<u>\$ 1,349,760</u>	<u>\$ -</u>	<u>\$ 230,890</u>	<u>\$ 1,580,650</u>
At September 30, 2019:				
Equities	\$ 1,053,359	\$ -	\$ -	\$ 1,053,359
Mutual Funds	341,192	-	-	341,192
Fixed Income	100,026	-	-	100,026
Cash Equivalents	23,753	-	-	23,753
	<u>\$ 1,518,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,518,330</u>

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

The following is a reconciliation of the beginning and ending balance of assets measured at fair market value on recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2020:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)
Balance at October 1, 2019	\$ -
Purchases of Investments	200,000
Investment Return, Net	30,890
Distributions	-
Balance at September 30, 2020	<u>\$ 230,890</u>

Investments consisted of the following at September 30:

	2020		
	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Equities	\$ 929,014	\$ 702,652	\$ (226,362)
Mutual Funds	299,068	311,759	12,691
Fixed Income	99,816	99,489	(327)
Cash Equivalents	21,862	21,862	-
Pooled Investments	230,890	230,890	-
	<u>\$ 1,580,650</u>	<u>\$ 1,366,652</u>	<u>\$ (213,998)</u>
	2019		
Equities	\$ 1,053,359	\$ 793,365	\$ 259,994
Mutual Funds	341,192	359,828	(18,636)
Fixed Income	100,026	100,074	(48)
Cash Equivalents	23,753	23,753	-
	<u>\$ 1,518,330</u>	<u>\$ 1,277,020</u>	<u>\$ 241,310</u>

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

	2020	2019
Net Unrealized Gain	\$ (42,886)	\$ (26,070)
Held at the Cleveland Foundation	30,890	-
Investment Income, Net	29,426	42,260
	<u>\$ 17,430</u>	<u>\$ 16,190</u>

**3. 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 \$359 (2020) and \$4,131 (2019).

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

**4. OPERATING LEASE COMMITMENTS**

The Chapter leases office space under an operating lease expiring on October 31, 2024. The base rent for the office space is \$2,900, or \$34,800 per year. 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 December 2023.

As of September 30, 2020, future minimum rental payments due under the terms of the operating lease agreements, net of any in-kind donation are as follows:

2021	\$	24,900
2022		24,900
2023		24,900
2024		24,400
Thereafter		<u>1,900</u>
	\$	<u>101,000</u>

For the years ended September 30, rent expense, including the in-kind donation, is approximately \$43,000 in each of the years 2020 and 2019.

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at September 30 amount to \$2,188 (2020 and 2019) the Chapter's mileage reimbursement member benefits.

**6. SPECIAL EVENTS**

Major fundraising activities are as follows:

	2020	2019
Gross Income	\$ 8,593	\$ 23,212
Less: Direct Donor Benefits	<u>240</u>	<u>14,725</u>
Net Special Events	<u>\$ 8,353</u>	<u>\$ 8,487</u>

**7. AVAILABILITY AND LIQUIDITY**

The following represents the Chapter's financial assets available to meet general expenditures over the next twelve months:

	2020	2019
Financial Assets at Year-End:		
Cash & Cash Equivalents	\$ 116,436	\$ 48,793
Investments	<u>1,580,650</u>	<u>1,518,330</u>
Total Financial Assets	1,697,086	1,567,123
Less Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions - Cash	<u>2,188</u>	<u>2,188</u>
	<u>2,188</u>	<u>2,188</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,699,274</u>	<u>\$ 1,569,311</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

The Chapter is substantially supported by contributions and depends on contributions without restrictions to meet its ongoing obligations. As part of the Chapter's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Chapter invests cash in excess of daily requirements in short-term investments.

Additionally, the Chapter has net assets without donor restrictions that have been segregated into short-term investments as an operating reserve should its major funder at some point cease contributions. While the Chapter does not intend to spend for these purposes other than those identified, investments could be made available for current operations, if necessary.

**8. RISKS AND CONTINGENCIES**

The spread of coronavirus (COVID-19) around the world through the date of these financial statements has caused significant volatility in the U.S. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well its impact on local and U.S. economies and, as such, the Chapter is unable to determine if it will have material impact on its operations.

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, the Chapter has evaluated events and transactions for potential recognition or disclosure through December 17, 2020, the date the financial statements were available to be issued.