

FINANCIAL STATEMENTS

**PARALYZED VETERANS OF AMERICA
SPINAL CORD INJURY EDUCATION AND
TRAINING FOUNDATION, INC.**

FOR THE YEAR ENDED JUNE 30, 2023

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of June 30, 2023	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended June 30, 2023	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended June 30, 2023	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended June 30, 2023	7
NOTES TO FINANCIAL STATEMENTS	8 - 12



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Paralyzed Veterans of America Spinal Cord Injury Education and Training Foundation, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Paralyzed Veterans of America Spinal Cord Injury Education and Training Foundation, Inc. (PVA Education Foundation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PVA Education Foundation as of June 30, 2023, and the change 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PVA Education Foundation 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.

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 PVA Education Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

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, including omissions, 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 PVA Education Foundation'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 PVA Education Foundation'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.



October 23, 2023

PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$ 676,750
Contributions receivable	45,583
Due from related party	<u>67,500</u>
TOTAL ASSETS	<u>\$ 789,833</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Grants payable	\$ <u>211,236</u>
----------------	-------------------

NET ASSETS

Without donor restrictions	<u>578,597</u>
----------------------------	----------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 789,833</u>
---	--------------------------

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>
REVENUE AND SUPPORT	
Contributions	\$ 446,838
Contributed services	<u>115,495</u>
Total revenue and support	<u>562,333</u>
EXPENSES	
Program Services:	
Research and Education	172,059
Supporting Services:	
Management and General	<u>4,471</u>
Total expenses	<u>176,530</u>
Change in net assets	385,803
Net assets at beginning of year	<u>192,794</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 578,597</u></u>

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Research and Education</u>	<u>Management and General</u>	<u>Total Expenses</u>
Professional services	\$ 66,456	\$ -	\$ 66,456
Grants	56,564	-	56,564
Salaries and benefits	49,039	-	49,039
Bank fees	-	3,431	3,431
Training and education	-	1,040	1,040
TOTAL	<u>\$ 172,059</u>	<u>\$ 4,471</u>	<u>\$ 176,530</u>

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 385,803
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in:	
Contributions receivable	(6,183)
Due from related party	(42,162)
Decrease in:	
Accounts payable	(22,333)
Grants payable	<u>(172,044)</u>
Net cash provided by operating activities	<u>143,081</u>
Net increase in cash and cash equivalents	143,081
Cash and cash equivalents at beginning of year	<u>533,669</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 676,750</u></u>

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Paralyzed Veterans of America Spinal Cord Injury Education and Training Foundation, Inc. (PVA Education Foundation) is a non-profit corporation founded in Delaware on September 2, 1986. PVA Education Foundation is controlled by Paralyzed Veterans of America (PVA), a national, nonprofit corporation chartered by the U.S. Congress on August 11, 1971. The purpose of PVA Education Foundation is to support institutions, agencies, and organizations to ensure quality care for spinal cord injury and disease by improving the ability and competence of health professionals who care for persons with spinal cord injury and/or disease, such as caregivers. PVA Education Foundation's primary sources of revenue are contributions from PVA, PVA chapters, and the general public, as well as legacies and bequest.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service. PVA Education Foundation did not have any net assets with donor restrictions as of June 30, 2023.

The accompanying financial statements represent the activity of PVA Education Foundation only. For the year ended June 30, 2023, the financial statements of PVA Education Foundation, have been consolidated with Paralyzed Veterans of America (PVA) in accordance with FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*. The consolidated financial statements are available at PVA Education Foundation's headquarters.

Cash and cash equivalents -

PVA Education Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, PVA Education Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributions receivable -

Contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Grants payable -

PVA Education Foundation approves multiyear grants in total at the time of the initial grant award and records these amounts as grants payable. The grants are generally provided by PVA Education Foundation, 45% in the first year, 45% in year two and the remaining 10% is provided upon completion of the grant. The discount on these long term grants is considered immaterial by management.

In instances where grants are not completed, PVA Education Foundation either is refunded amounts that were advanced to perform the grant, or in instances where funds were not advanced, the remaining liability is written off in the period of the grant termination. The combination of these amounts are recorded within grant expense in the accompanying Statement of Activities and Change in Net Assets. The amounts written off and recorded within grant expense was \$38,275 for the year ended June 30, 2023.

Income taxes -

PVA Education Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. PVA Education Foundation is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2023, PVA Education Foundation has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions -

The majority of PVA Education Foundation's revenue is received through contributions. Contributions are recognized in the appropriate category of net assets in the period received. PVA Education Foundation performs an analysis of the individual contribution to determine if the revenue streams follow the contributions rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For revenue qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributions (continued) -

Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions qualifying as conditional contributions contain a right of return from obligation provision that limits PVA Education Foundation on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. PVA Education Foundation recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. PVA Education Foundation had no unrecognized conditional awards as of June 30, 2023.

Contributed services -

Contributed services consist of personnel and other support from PVA. Contributed services are recorded at their fair value as of the date of the gift. Contributed 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 PVA Education Foundation.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of PVA Education Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of personnel time. General and administrative expenses include costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of PVA Education Foundation.

PVA Education Foundation's activities are confined to a single activity: to fund grants for research related to spinal cord injury or disease. All grants paid and contributed services from PVA are directly related to that activity and are therefore allocated entirely to program activities on the Statement of Functional Expenses. PVA Education Foundation's remaining expenses, primarily bank and state registration fees, represent the back-end costs and are allocated entirely to Management and General on the Statement of Functional Expenses.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for PVA Education Foundation for the year ending June 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

PVA Education Foundation plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 676,750
Contributions receivable	45,583
Due from related party	<u>67,500</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 789,833</u>

PVA Education Foundation's financial assets are entirely without donor restrictions or Board designations. As part of PVA Education Foundation's liquidity management, it has a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Grants awarded by PVA Education Foundation are awarded in part based on the strength of its Statement of Financial Position.

3. CONTRIBUTED SERVICES

During the year ended June 30, 2023, PVA Education Foundation was the beneficiary of donated services which allowed PVA Education Foundation to provide greater resources toward various programs. The value of these in-kind contributions is recorded based on the fair market value of the service. There were no restrictions placed on the in-kind contributions by donors during the year ended June 30, 2023.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended June 30, 2023.

Donated professional and consulting services	\$ 66,456
Donated salaries and employee benefits	<u>49,039</u>
TOTAL DONATED GOODS AND SERVICES	<u>\$ 115,495</u>

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
AND TRAINING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

3. CONTRIBUTED SERVICES (Continued)

The following programs have benefited from these donated services:

Research and Education	<u>\$ 115,495</u>
-------------------------------	--------------------------

4. FUNDRAISING COSTS

PVA does extensive direct mail and other forms of fundraising. Each year, approximately 4,000,000 Americans contribute to PVA. As part of this extensive fundraising campaign, PVA Education Foundation is occasionally highlighted and donors with an interest in the work of PVA Education Foundation make contributions. PVA personnel solicit for major gifts and legacies, bequests, and pledges to assist PVA Education Foundation. PVA also administers the Combined Federal Campaign and United Way Contributions plus any employer-matching gifts to PVA Education Foundation. PVA provides the personnel and other support to conduct the above fundraising activities for PVA Education Foundation at no cost to PVA Education Foundation.

5. RELATED PARTY

During the year ended June 30, 2023, PVA Education Foundation received a contribution of \$350,000 from PVA. Approximately 78% of PVA Education Foundation's revenue for the year ended June 30, 2023 was derived from a contribution awarded from PVA. PVA Education Foundation has no reason to believe that the relationship with PVA will be discontinued in the foreseeable future. However, any interruption of this relationship would adversely affect PVA Education Foundation's ability to finance ongoing operations.

PVA provides PVA Education Foundation and Paralyzed Veterans of America Spinal Cord Research Foundation (PVA Research Foundation) with personnel and other support for which it does not require reimbursement. The portion of time incurred by personnel that can be directly allocated to PVA Education Foundation is included in program expenses in the accompanying Statement of Activities and Change in Net Assets.

Also included in general and administrative costs is an allocated percentage of other identifiable costs based on personnel time. Total contributed services from PVA amounted to \$115,495 for the year ended June 30, 2023. Other administrative support such as audit, general accounting and fundraising expenses, is absorbed by PVA, since amounts related to PVA Education Foundation are not significant.

As of June 30, 2023, PVA Research Foundation owed PVA Education Foundation \$67,500.

6. SUBSEQUENT EVENTS

In preparing these financial statements, PVA Education Foundation has evaluated events and transactions for potential recognition or disclosure through October 23, 2023, the date the financial statements were issued.