

FINANCIAL STATEMENTS

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

**FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020**

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

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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.

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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 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.

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Opinion

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

October 18, 2021

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

**STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020**

ASSETS		<u>2021</u>	<u>2020</u>
ASSETS			
Cash and cash equivalents		\$ 304,750	\$ 309,318
Contributions receivable		<u>97,500</u>	<u>3,000</u>
TOTAL ASSETS		<u>\$ 402,250</u>	<u>\$ 312,318</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Due to related party		\$ -	\$ 50
Grants payable		<u>163,484</u>	<u>203,956</u>
Total liabilities		<u>163,484</u>	<u>204,006</u>
NET ASSETS			
Without donor restrictions		<u>238,766</u>	<u>108,312</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 402,250</u>	<u>\$ 312,318</u>

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

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>Without Donor Restrictions</u>	
	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT		
Contributions	\$ 362,989	\$ 179,521
Contributed services	<u>124,743</u>	<u>111,178</u>
Total revenue and support	<u>487,732</u>	<u>290,699</u>
EXPENSES		
Research, Consumer and Professional Education	353,862	314,328
General and Administrative	<u>3,457</u>	<u>5,940</u>
Total expenses	<u>357,319</u>	<u>320,268</u>
Changes in net assets before other item	130,413	(29,569)
OTHER ITEM		
Interest income	<u>41</u>	<u>3,223</u>
Changes in net assets	130,454	(26,346)
Net assets at beginning of year	<u>108,312</u>	<u>134,658</u>
NET ASSETS AT END OF YEAR	<u>\$ 238,766</u>	<u>\$ 108,312</u>

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

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Research, Consumer and Professional Education	General and Administrative	Total Expenses
Education and training grants	\$ 229,119	\$ -	\$ 229,119
Salaries and wages	41,293	-	41,293
Employee benefits	14,039	-	14,039
Professional and consulting	69,411	-	69,411
Office expenses	-	2,497	2,497
State registration fees	-	960	960
TOTAL	<u>\$ 353,862</u>	<u>\$ 3,457</u>	<u>\$ 357,319</u>

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

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Research, Consumer and Professional Education	General and Administrative	Total Expenses
Education and training grants	\$ 203,150	\$ -	\$ 203,150
Salaries and wages	37,344	-	37,344
Employee benefits	12,642	-	12,642
Professional and consulting	60,935	-	60,935
Office expenses	-	5,506	5,506
Conferences, conventions and meetings	257	-	257
State registration fees	-	434	434
TOTAL	\$ 314,328	\$ 5,940	\$ 320,268

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

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 130,454	\$ (26,346)
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Write-off of unused grants	-	11,298
Decrease (increase) in:		
Due from related party	-	240
Contributions receivable	(94,500)	(3,000)
(Decrease) increase in:		
Due to related party	(50)	50
Grants payable	<u>(40,472)</u>	<u>45,932</u>
Net cash (used) provided by operating activities	<u>(4,568)</u>	<u>28,174</u>
Net (decrease) increase in cash and cash equivalents	(4,568)	28,174
Cash and cash equivalents at beginning of year	<u>309,318</u>	<u>281,144</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 304,750</u>	<u>\$ 309,318</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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 Statements of Activities and Changes 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, 2021 and 2020.

The accompanying financial statements represent the activity of PVA Education Foundation only. For the years ended June 30, 2021 and 2020, 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.

New accounting pronouncement adopted -

During the year ended June 30, 2020, PVA Education Foundation adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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

New accounting pronouncement adopted (continued) -

This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. PVA Education Foundation adopted the ASU using a modified prospective basis.

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.

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 contributions in the accompanying Statements of Activities and Changes in Net Assets. The amounts recorded within contributions was \$0 and \$11,298 for the years ended June 30, 2021 and 2020, respectively.

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 years ended June 30, 2021 and 2020, 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.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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

Contributions (continued) -

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. 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. 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, 2021 and 2020.

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.

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 Statements of Activities and Changes 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.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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

Functional allocation of expenses (continued) -

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 Statements 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 General and Administrative on the Statements of Functional Expenses.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact PVA Education Foundation's operations. The overall potential impact is unknown at this time.

2. LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 304,750	\$ 309,318
Contributions receivable	<u>97,500</u>	<u>3,000</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 402,250</u>	<u>\$ 312,318</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 Statements of Financial Position.

3. CONTRIBUTED SERVICES

During the years ended June 30, 2021 and 2020, the PVA Education Foundation was the beneficiary of donated goods and services which allowed the PVA Education Foundation to provide greater resources toward various programs.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

3. CONTRIBUTED SERVICES (Continued)

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Donated salaries and employee benefits	\$ 55,332	\$ 49,986
Donated professional and consulting services	69,411	60,935
Other	<u>-</u>	<u>257</u>
	<u>\$ 124,743</u>	<u>\$ 111,178</u>

The following programs have benefited from these donated services:

	<u>2021</u>	<u>2020</u>
Research, Consumer and Professional Education	<u>\$ 124,743</u>	<u>\$ 111,178</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 years ended June 30, 2021 and 2020, PVA Education Foundation received contributions of \$100,000, from PVA, respectively.

PVA provides PVA Education 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 and contributions in the accompanying Statements of Activities and Changes 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 \$124,743 and \$111,178 for the years ended June 30, 2021 and 2020, respectively. 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, 2021 and 2020, PVA Education Foundation owed \$0 and \$50 to PVA, respectively.

**PARALYZED VETERANS OF AMERICA SPINAL CORD INJURY EDUCATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

6. SUBSEQUENT EVENTS

In preparing these financial statements, PVA Education Foundation has evaluated events and transactions for potential recognition or disclosure through October 18, 2021, the date the financial statements were issued.