

**MICHIGAN PARALYZED VETERANS OF AMERICA  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**



Certified Public Accountants

**MICHIGAN PARALYZED VETERANS OF AMERICA  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT.....	1-2
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF ACTIVITIES.....	4
STATEMENT OF FUNCTIONAL EXPENSES.....	5
STATEMENT OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7-17



## **Independent Auditor's Report**

To the Board of Directors of  
Michigan Paralyzed Veterans of America  
Plymouth, Michigan

### **Opinion**

We have audited the accompanying financial statements of Michigan Paralyzed Veterans of America (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, statement of functional expenses, and statement of 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 Michigan Paralyzed Veterans of America as of September 30, 2023, 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.

### **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 Michigan Paralyzed Veterans of America 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 Michigan Paralyzed Veterans of America'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. 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 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 Michigan Paralyzed Veterans of America'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 Michigan Paralyzed Veterans of America'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.

Schultz & Associates, PLC  
Certified Public Accountants

Canton, Michigan  
January 19, 2024



**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023**

	<u>Assets Without Donor Restriction</u>	<u>Assets With Donor Restriction</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 20,183	\$ -	\$ 20,183
Prepaid expenses	5,299	-	5,299
Inventory	8,674	-	8,674
Total current assets	<u>34,156</u>	<u>-</u>	<u>34,156</u>
Non-current assets			
Investments	944,086	358,261	1,302,347
Property and equipment	30,813	-	30,813
Accumulated depreciation	(30,450)	-	(30,450)
Operating lease - ROU assets	4,960	-	4,960
Total non-current assets	<u>949,409</u>	<u>358,261</u>	<u>1,307,670</u>
<b>TOTAL ASSETS</b>	<u>\$ 983,565</u>	<u>\$ 358,261</u>	<u>\$ 1,341,826</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable	\$ 4,859	\$ -	\$ 4,859
Deferred revenue	13,115	-	13,115
Operating lease liability - current portion	2,187	-	2,187
Total current liabilities	<u>20,161</u>	<u>-</u>	<u>20,161</u>
Long-term liabilities			
Operating lease liability - long-term portion	2,773	-	2,773
Total long-term liabilities	<u>2,773</u>	<u>-</u>	<u>2,773</u>
Net assets			
Without donor restriction	960,631	-	960,631
With donor restriction	-	358,261	358,261
Total net assets	<u>960,631</u>	<u>358,261</u>	<u>1,318,892</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 983,565</u>	<u>\$ 358,261</u>	<u>\$ 1,341,826</u>

See Independent Auditor's Report  
See Accompanying Notes to Financial Statements

**MICHIGAN PARALYZED VETERANS OF AMERICA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Assets Without Donor Restriction</u>	<u>Assets With Donor Restriction</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
PVA grants	\$ 151,737	\$ -	\$ 151,737
Contributions and other grants	92,137	-	92,137
In-kind contributions	10,599	-	10,599
Other	3,725	-	3,725
Investment income, net	121,680	13,414	135,094
	<u>379,878</u>	<u>13,414</u>	<u>393,292</u>
Net assets released from restrictions	<u>18,500</u>	<u>(18,500)</u>	<u>-</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u>398,378</u>	<u>(5,086)</u>	<u>393,292</u>
<b>EXPENSES</b>			
Program services			
Membership benefits & services	249,506	-	249,506
Advocacy & government relations	42,442	-	42,442
Communication & public relations	52,974	-	52,974
Total Program Services	<u>344,922</u>	<u>-</u>	<u>344,922</u>
Supporting services			
Management and general	24,775	-	24,775
Fundraising	21,261	-	21,261
Total supporting services	<u>46,036</u>	<u>-</u>	<u>46,036</u>
<b>TOTAL EXPENSES</b>	<u>390,958</u>	<u>-</u>	<u>390,958</u>
<b>CHANGE IN NET ASSETS</b>	7,419	(5,086)	2,333
<b>NET ASSETS, beginning of year</b>	<u>953,212</u>	<u>363,347</u>	<u>1,316,559</u>
<b>NET ASSETS, end of year</b>	<u>\$ 960,631</u>	<u>\$ 358,261</u>	<u>\$ 1,318,892</u>

**See Independent Auditor's Report  
See Accompanying Notes to Financial Statements**

**MICHIGAN PARALYZED VETERANS OF AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Membership		Advocacy		Communication		Management		Total
	Benefits & Services	Government Relations	Government Relations	Advocacy	& Public Relations	& General	Fundraising		
Salaries and wages	\$ 63,949	\$ 31,975	\$ 31,975	\$ 7,523	\$ 15,047	\$ 150,469			
Retirement	4,225	2,112	2,112	497	994	9,940			
Employee benefits	9,837	4,919	4,919	1,157	2,315	23,146			
Payroll taxes	4,958	2,479	2,479	583	1,167	11,666			
<b>Total compensation</b>	<b>82,969</b>	<b>41,484</b>	<b>41,484</b>	<b>9,761</b>	<b>19,522</b>	<b>195,221</b>			
Awards and grants	51,575	-	-	-	-	51,575			
Bank charges	-	-	-	443	-	443			
Dues and subscriptions	-	-	724	452	633	1,809			
Insurance	-	-	-	4,947	-	4,947			
Meetings and events	9,814	-	-	-	-	9,814			
Office supplies	25,426	-	-	751	-	26,177			
Postage	203	-	-	3,077	-	3,280			
Printing	4,374	-	8,975	1,092	-	14,441			
Professional services	5,630	630	630	630	630	8,149			
Rent	48,232	-	-	-	-	48,232			
Repairs and maintenance	4,066	-	1,162	581	-	5,808			
Telephone	4,287	-	-	-	476	4,763			
Travel	8,730	328	-	2,637	-	11,695			
In-kind expenses	4,200	-	-	-	-	4,200			
<b>Total functional expenses before depreciation</b>	<b>249,506</b>	<b>42,442</b>	<b>52,974</b>	<b>24,371</b>	<b>21,261</b>	<b>390,554</b>			
Depreciation	-	-	-	404	-	404			
<b>Total functional expenses</b>	<b>\$ 249,506</b>	<b>\$ 42,442</b>	<b>\$ 52,974</b>	<b>\$ 24,775</b>	<b>\$ 21,261</b>	<b>\$ 390,958</b>			

See Independent Auditor's Report  
See Accompanying Notes to Financial Statements

**MICHIGAN PARALYZED VETERANS OF AMERICA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 2,333
Adjustments to reconcile change in net assets to net cash used by operating activities	
Accounts payable	2,471
Deferred revenue	(2,099)
Depreciation	404
Prepaid expenses	(3,118)
Inventory	(6,399)
Wages payable	(1,999)
Operating lease liability	(4,960)
Operating lease - ROU assets	4,960
Realized (gain)/loss on investments	29,296
Reinvested dividends	(60,691)
Unrealized (gain)/loss on investments	<u>(103,700)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(143,501)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Transfer in of assets	116,200
Transfer out of assets	<u>(18,500)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>97,700</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(45,801)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>65,984</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 20,183</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>	
Interest paid	<u><u>\$ -</u></u>

**See Independent Auditor's Report  
See Accompanying Notes to Financial Statements**



**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Michigan Paralyzed Veterans of America (MPVA), a 501(c)(3) organization, is a congressionally chartered non-profit member of Paralyzed Veterans of America, Inc. (PVA). MPVA's purpose is to aid and assist spinal cord injured veterans, publicize the needs of these individuals and promote legislative provisions for barrier-free designs. MPVA also advocates and foster continuing medical research connected with injuries and diseases of the spinal cord and a comprehensive and effective reconditioning program. MPVA conducts all of its activities in the State of Michigan. Donations to MPVA are tax-deductible.

As a charter member of PVA, upon dissolution of MPVA for any reason, after compliance with any state or local requirements, any remaining net assets shall be distributed to PVA.

**Basis of Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2020. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*Net Assets without Donor Restriction* – net assets that are not subject to "donor-imposed" time or purpose restrictions.

*Net Assets with Donor Restriction* – consist of purpose or time-restricted contributions and net assets subject to "donor-imposed" restrictions that may be maintained in perpetuity. When a purpose or time restriction ends, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

**Liquidity**

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. Cash and cash equivalents does not include money market funds held at brokerage accounts pending investment.

**Investments and Interest in Assets Held in Community Foundation Endowment**

Management determines an appropriate classification of securities at the time of purchase. Securities to be held for indefinite periods of time and not intended to be held to maturity or on a long-term basis are classified as available for sale and carried at fair value. Securities held for indefinite periods of time include securities that management intends to use as part of its asset and liability management strategy. They may be sold in response to changes in interest rates, resultant prepayment risk and other economic factors.

The interest in assets held in the community foundation endowment are reported as a noncurrent asset.

**Accounts Receivable**

The Organization considers accounts receivable to be fully collectible at September 30, 2023; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. Accounts receivable balance as of September 30, 2023 was \$0.

**Inventory**

Detail of inventory policy carried at FMV. Includes items that were donated to the organization and are available for use by eligible veterans. Items with a FMV of less than \$1,000 are not included in inventory.

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and Equipment**

Property and equipment is carried at cost, or, if donated, at the fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of five to thirty-one and one-half years. The Organization's policy is to capitalize property and equipment with a cost of \$1,000 or more.

**Donated Materials and Services**

The Organization receives donations of material and services from various sources. The donated materials and services received are reflected in the accompanying financial statements at their fair market value in accordance with FASB ASC 958-605.

**Fundraising Activities**

MPVA (the "Organization") reports revenues and expenses of any fundraising activities carried out by professional fund-raising organizations with which it contracts on a gross basis. The Organization receives donations of material and services from various sources. The donated materials and services received are reflected in the accompanying financial statements at their fair market value in accordance with FASB ASC 958-605.

Contributions and expenses related to the Organization's mail solicitation program are reported at their gross amounts.

**Program Services**

*Membership Benefits and Services* - This category includes those programs where benefits and services are directly provided to the membership. The Veterans Benefits Department provides counseling and legal representation for the purpose of applying for and obtaining various Veterans Administration (VA) entitlements, including hospitalization, prosthetic devices and other medical needs. Membership activities provide for various social functions such as banquet, holiday party, picnic and other activities involving membership participation. Governance/BOD provides for expenses of the president, board of directors and board committees, including seminars, conferences, attendance at the PVA convention and board meetings. Sports and Recreation provides for membership participation in various wheelchair sports competitions, including bowling, track and field, fishing, trap shooting, billiards, etc. Research and Education provides for monetary contributions for spinal cord injury and disease research and for literature for the members regarding research on progress as it pertains to spinal cord injury. A Loan Closet for mobility devices such as wheelchairs is also available.

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Program Services (continued)**

*Advocacy and Government Relations* - This program provides staff and volunteers to advocate for civil rights related to disabilities and veterans' benefits, consultation services to businesses and individuals regarding barrier free design and the Americans with Disabilities Act is provided under this program.

*Communications and Public Relations* - This program provides a communication link with the members and the general public through the chapter newsletter, public service announcements, goodwill donations to other organizations, news releases and ads in other publications. It also provides for a public relations coordinator and related expenses.

*General and Administrative* - This support service is established to obtain public and private donations from members and non- members.

*Fundraising* - This support service is established to obtain public and private donations from members and non-members.

**Functional Expense Allocations**

Certain functional expenses, which are common to several program service categories, are allocated based upon a formula determined by management.

**Unrestricted Support**

Contributions from PVA are accounted for as unrestricted support because all applicable restrictions are satisfied during the period in which the contributions are received.

**Retirement Plan**

The Organization funds its retirement plan on a current basis and includes any contributions which it makes with compensation expense.

**Management's Review**

Management has evaluated subsequent events through January 19, 2024, the date on which the financial statements were available to be issued.

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2 - CONCENTRATION OF CASH**

The Organization maintains cash balances at a financial institution in southeastern Michigan. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of September 30, 2023, there were not accounts that were in excess of the insurance limit.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The Financial Accounting Standards Board (FASB) issued the Statement on Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157). This standard establishes a framework for measuring fair value and expands disclosures regarding the use of fair value measurements. Under this standard, fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of the Organization's investments. These inputs are summarized into three levels:

- Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.
- Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the set, either directly or indirectly.
- Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of investments). Inputs may be observable or unobservable

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 3 - FAIR VALUE MEASUREMENTS (continued)**

The following table summarizes the Organization's investments, based on the inputs used to determine their values on September 30, 2023:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1 - quoted prices	\$ 1,302,347
Level 2 - significant other observable inputs	0
Level 3 - significant unobservable inputs	<u>0</u>
Total	<u>\$ 1,302,347</u>

**NOTE 4 - INVESTMENTS**

The Organization invests in a number of financial instruments consisting of equity securities, corporate and government debt securities and certificates of deposit. The fair values of investments are estimated based on quoted market prices for those investments.

At September 30, 2023 investments consist of the following:

	<u>Fair Value</u>			<u>Cost Basis</u>
	<u>Without Donor Restriction</u>	<u>Oakland Rent Fund</u>	<u>Total</u>	<u>Total</u>
Money market investments	\$ 648	\$ 143,074	\$ 143,722	\$ 143,722
Certificates of deposit	0	0	0	0
Fixed income/preferred	0	48,810	48,810	50,000
Mutual funds	943,438	166,377	1, 109,815	1,105,099
Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 944,086</u>	<u>\$ 358,261</u>	<u>\$ 1,302,347</u>	<u>\$ 1,298,821</u>

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 - INVESTMENTS (continued)**

Unrestricted	\$ 944,086	\$ 0	\$ 944,086
Board designated	0	0	0
Donor restricted	<u>0</u>	<u>358,261</u>	<u>358,261</u>
	<u>\$ 944,086</u>	<u>\$ 358,261</u>	<u>\$ 1,302,347</u>

Investment income consists of realized losses of \$29,296 and unrealized gains of \$103,700, and interest and dividend income of \$61,179 and is stated net investment expenses of \$488.

The Organization's policy regarding investment income is to allocate a portion of investment returns towards funding operations, while reserving a portion in order to ensure that sufficient investment reserves exist to provide program continuity and to meet the Organization's objectives.

**NOTE 5 - CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended September 30, 2023, contributed nonfinancial assets recognized within the statement of activities included:

<u>Item / Service Type</u>	<u>Amount Recognized</u>
Medical equipment	<u>\$ 10,599</u>
<b>Total contributed nonfinancial assets</b>	<b><u>\$ 10,599</u></b>

The Organization receives in-kind donations of equipment, machines, and other medical devices used for various purposes related to the Organization's mission. Donated contributions are reflected in the accompanying statement of activities within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. at their estimated values at date of receipt.

The contributed nonfinancial assets will be used for program activities; specifically, to be lent to veterans in need. In valuing the assets, the Organization estimated the fair value on the basis of prices of similar assets. For the year ended September 30, 2023, \$4,200 was utilized for this purpose.

The value of donated items included in inventory as of September 30, 2023 was \$8,674.

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 6 - OTHER ASSETS**

In March 2011, the Organization made a \$50,000 donation to the Canton Community Foundation endowment fund (the "Fund") in the name of the organization. The endowment agreement provides that the Organization is the specified beneficiary with the exclusive right to receive future distributions from the Fund. The Organization's right to its interest in the endowment is reported as a portion of investment income. In October 2014, the Organization withdrew \$25,000 from the Fund.

The amount included in the statement of financial position is stated at fair value. The entire interest in the assets held in the fund were substantially invested by the community foundation in mutual funds, valued using Level 1 inputs, as described in Note 3.

**NOTE 7 - PROPERTY AND EQUIPMENT**

At September 30, 2023, property and equipment consist of the following:

	<u>Beginning Balance</u>	<u>Additions/ Reclassifications</u>	<u>Dispositions/ Reclassifications</u>	<u>Total</u>
Furniture and equipment	\$ 30,813	\$ 0	\$ 0	\$ 30,813
	<u>\$ 30,813</u>	<u>\$ 0</u>	<u>\$ 0</u>	30,813
Less accumulated depreciation				(30,450)
				<u>\$ 363</u>

**NOTE 8 - EMPLOYEE RETIREMENT PLAN**

MPVA participates in PVA's Incentive Savings Plan for all eligible employees. The plan consists of employee retirement plan with an employee voluntary contribution option. MPVA's contribution formula considers each participant's annual salary and voluntary contribution. For the year ended September 30, 2023, MPVA contributed \$9,940.

**NOTE 9 - CONCENTRATIONS**

For the year ended September 30, 2023 approximately 40% of the organization's revenue was received from Paralyzed Veterans of America.

**See Independent Auditor's Report**



**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 10 - LEASES**

The Organization has a non-cancelable copier operating lease on a Toshiba copier machine, initiated October 2022. The lease term is 39 months at \$186 per month with no interest.

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Most leases include one or more options to renew. The exercise of lease renewal options is at the Organization's sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The following table presents the undiscounted maturities of lease liabilities the Organization expects to pay for its operating lease as of September 30, 2023:

<u>Year</u>	
2024	\$ 2,237
2025	2,237
2026	559
2027	0
2028	0
Thereafter	0
Total lease payments	<u>5,033</u>
Less: interest	(74)
PV of lease liabilities	<u>\$ 4,959</u>

**NOTE 11 – NET ASSETS WITH DONOR RESTRICTION**

At September 30, 2023, nets assets with donor restriction are available for the following:

Oakland Township Rent Subsidy Fund	<u>\$ 358,261</u>
	<u>\$ 358,261</u>

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets with donor restriction were released from donor restrictions by incurring expenses satisfying the purpose by donors as follows:

Oakland Township Rent Subsidy Fund – Allowable	\$ 18,500
Distributions	
	<u>\$ 18,500</u>

**NOTE 13 - ADVERTISING AND MARKETING COSTS**

Advertising and marketing costs are expensed as incurred. Advertising expenses for the year ended September 30, 2023 were \$21,261.

**NOTE 14 - TAX STATUS**

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. Contributions and bequests are deductible for federal income and estate tax purposes.

The Organization's federal income tax returns for 2022 to 2016 remain open to examination by the Internal Revenue Service. In evaluating the Organization's tax provisions, the Organization believes that its estimates are appropriate based on current facts and circumstances

**NOTE 15 -LIQUIDITY**

The Organization's financial assets available within one year of the balance sheet date for general expenditure total \$20,183, consisting of cash and cash equivalents. This has been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date. As part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 16 – ACCOUNTING STANDARDS UPDATE**

Leases

In February 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for leases and lessors.

**See Independent Auditor's Report**

**MICHIGAN PARALYZED VETERANS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 16 – ACCOUNTING STANDARDS UPDATE (continued)**

Leases (continued)

The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Organization's fiscal years beginning after December 15, 2021 with early adoption permitted.

The Organization adopted the standard on October 1, 2022. As a result of adopting the new standard, the Company recorded additional net lease assets and lease liabilities of approximately \$7,119 as of October 2022. Adoption of the new standard did not impact the Organization's overall net assets or change in net assets.

