

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**Central Florida Chapter,  
Paralyzed Veterans of America, Inc.**

**For the Years Ended**  
September 30, 2019 and 2018

**Central Florida Chapter,  
Paralyzed Veterans of America, Inc.**

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Michael R. Schafer, CPA  
Thomas R. Tschopp, CPA  
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 300  
Maitland, Florida 32751  
Phone (407) 839-3330 Fax (407) 839-3660

Joseph P. Mitchell, CPA  
Stephen J. Sheridan, CPA  
Daniel M. Hinson, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of  
Central Florida Chapter, Paralyzed Veterans of America, Inc.

We have audited the accompanying financial statements of Central Florida Chapter, Paralyzed Veterans of America, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2019 and 2018, 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 unqualified audit opinions.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Florida Chapter, Paralyzed Veterans of America, Inc. as of September 30, 2019 and 2018, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Schafer, Tschopp, Whitcomb, Mitchell + Sheridan, LLP*

Maitland, Florida  
January 13, 2020

**CENTRAL FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2019 and 2018**

**ASSETS**

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>Current Assets</b>  |                     |                     |
| Cash and cash equivalents                                      | \$ 47,663           | \$ 138,015          |
| Investments, at fair value                                     | 1,102,214           | 1,024,986           |
| Durable medical equipment                                      | 69,853              | 51,962              |
| Total current assets   | 1,219,730           | 1,214,963           |
| <br>Property and equipment,<br>net of accumulated depreciation | <br>102,610         | <br>113,636         |
| <b>TOTAL ASSETS</b>  | <b>\$ 1,322,340</b> | <b>\$ 1,328,599</b> |

**LIABILITIES AND NET ASSETS**

|   |                     |                     |
|---|---------------------|---------------------|
| <b>Current Liabilities</b>              |                     |                     |
| Accrued vacation and sick pay           | \$ 18,578           | \$ 15,635           |
| Total current liabilities               | 18,578              | 15,635              |
| <br><b>Net Assets</b>                   |                     |                     |
| Net assets without donor restrictions   | 1,303,762           | 1,312,964           |
| Total net assets                        | 1,303,762           | 1,312,964           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 1,322,340</b> | <b>\$ 1,328,599</b> |

The accompanying notes are an integral part of these financial statements.

**CENTRAL FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA, INC.**  
**STATEMENTS OF ACTIVITIES and CHANGES IN NET ASSETS**  
**Years Ended September 30, 2019 and 2018**

|   | 2019         | 2018         |
|---|--------------|--------------|
| <b>Unrestricted Net Assets</b>                        |              |              |
| <b>Operating Support &amp; Revenue:</b>               |              |              |
| PVA National Contribution                             | \$ 142,290   | \$ 154,147   |
| NVWG 2018 Revenue                                     | 6,020        | 125,686      |
| Grants  | 25,000       | -            |
| Advertising   | 2,386        | 4,077        |
| Fund raising:   |              |              |
| Charity golf tournament                               | 36,796       | 28,543       |
| Memorabilia and other merchandise                     | -            | 1,608        |
| GIVE  | 19,643       | 19,975       |
| Donations:  |              |              |
| Cash:   |              |              |
| General   | 17,955       | 48,540       |
| Other   | 11,939       | 9,693        |
| Non-cash:   |              |              |
| Repurposed durable medical equipment and other        | 110,256      | 73,710       |
| Other   | -            | 1,250        |
| Total Operating Support & Revenue                     | 372,285      | 467,229      |
| <b>Operating Expenses:</b>                            |              |              |
| <b>Program Services:</b>                              |              |              |
| Member benefits and functions                         | 133,429      | 134,746      |
| Sports and recreation                                 | 64,541       | 66,855       |
| Repurposing of durable medical equipment              | 94,725       | 80,236       |
| 2018 NVWG Games                                       | 1,103        | 109,301      |
| Occupancy cost  | 37,564       | 37,956       |
| Grants and Awards                                     | 16,101       | 14,474       |
| Total Program Services                                | 347,463      | 443,568      |
| <b>Supporting Services:</b>                           |              |              |
| Management and general                                | 53,062       | 50,943       |
| Fundraising   | 13,190       | 11,163       |
| Total Supporting Services                             | 66,252       | 62,106       |
| Total Operating Expenses                              | 413,715      | 505,674      |
| <b>Non-Operating Support &amp; Revenue:</b>           |              |              |
| Dividend and interest income                          | 20,962       | 40,741       |
| Realized capital gains (losses)                       | 41,044       | 37,600       |
| Change in unrealized gain (loss) on investments       | (29,778)     | 3,626        |
| Total Non-Operating Support & Revenue                 | 32,228       | 81,967       |
| <b>Increase (Decrease) in Unrestricted Net Assets</b> | (9,202)      | 43,522       |
| <b>Total Increase (Decrease) in Net Assets</b>        | (9,202)      | 43,522       |
| <b>Net Assets at Beginning of Year</b>                | 1,312,964    | 1,269,442    |
| <b>Net Assets at End of Year</b>                      | \$ 1,303,762 | \$ 1,312,964 |

The accompanying notes are an integral part of these financial statements.

**CENTRAL FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2019**

|                                       | Program Services         |                                 |                             |                       |                   |                         | Support Services  |                         |                  |                  |
|---------------------------------------|--------------------------|---------------------------------|-----------------------------|-----------------------|-------------------|-------------------------|-------------------|-------------------------|------------------|------------------|
|                                       | Membership<br>& Benefits | Durable<br>Medical<br>Equipment | Sports<br>And<br>Recreation | 2018<br>NVWG<br>Games | Occupancy<br>Cost | Grants<br>and<br>Awards | Total             | Management<br>& General | Fund<br>Raising  | Total            |
| <b>Member Events</b>                  | \$ 9,634                 | -                               | -                           | -                     | -                 | -                       | \$ 9,634          | -                       | -                | -                |
| <b>Medical Equipment Donated</b>      | -                        | 92,365                          | -                           | -                     | -                 | -                       | 92,365            | -                       | -                | -                |
| <b>Salaries and Benefits</b>          | 77,422                   | -                               | 40,000                      | -                     | -                 | -                       | 117,422           | 34,582                  | -                | 34,582.25        |
| <b>Professional Fees</b>              | -                        | -                               | -                           | -                     | -                 | -                       | -                 | 2,500                   | -                | 2,500            |
| <b>Occupancy Cost</b>                 | -                        | 2,360                           | -                           | -                     | 26,538            | -                       | 28,898            | -                       | -                | -                |
| <b>Postage</b>                        | 994                      | -                               | -                           | -                     | -                 | -                       | 994               | -                       | -                | -                |
| <b>Publications</b>                   | 13,534                   | -                               | -                           | -                     | -                 | -                       | 13,534            | -                       | -                | -                |
| <b>Office Expense</b>                 | 11,561                   | -                               | -                           | -                     | -                 | -                       | 11,561            | -                       | -                | -                |
| <b>Telephone &amp; Internet</b>       | -                        | -                               | -                           | -                     | -                 | -                       | -                 | 2,453                   | -                | 2,453            |
| <b>Travel</b>                         | 7,967                    | -                               | -                           | -                     | -                 | -                       | 7,967             | -                       | -                | -                |
| <b>Training and Education</b>         | 1,500                    | -                               | -                           | -                     | -                 | -                       | 1,500             | -                       | -                | -                |
| <b>Fundraising Costs</b>              | -                        | -                               | -                           | -                     | -                 | -                       | -                 | -                       | 13,190           | 13,190           |
| <b>Grants and Awards</b>              | -                        | -                               | -                           | -                     | -                 | 16,101                  | 16,101            | -                       | -                | -                |
| <b>Conferences and Meetings</b>       | 10,417                   | -                               | -                           | -                     | -                 | -                       | 10,417            | -                       | -                | -                |
| <b>Furniture Equipment and Rental</b> | -                        | -                               | -                           | -                     | -                 | -                       | -                 | 454                     | -                | 454              |
| <b>Sports and Recreation Expenses</b> | -                        | -                               | 24,541                      | -                     | -                 | -                       | 24,541            | -                       | -                | -                |
| <b>2018 NVWG Games</b>                | -                        | -                               | -                           | 1,103                 | -                 | -                       | 1,103             | -                       | -                | -                |
| <b>Advertising and Promotion</b>      | 400                      | -                               | -                           | -                     | -                 | -                       | 400               | -                       | -                | -                |
| <b>Management and General</b>         | -                        | -                               | -                           | -                     | -                 | -                       | -                 | 13,073                  | -                | 13,073           |
| <b>Depreciation Expense</b>           | -                        | -                               | -                           | -                     | 11,026            | -                       | 11,026            | -                       | -                | -                |
| <b>Total</b>                          | <u>\$ 133,429</u>        | <u>\$ 94,725</u>                | <u>\$ 64,541</u>            | <u>\$ 1,103</u>       | <u>\$ 37,564</u>  | <u>\$ 16,101</u>        | <u>\$ 347,463</u> | <u>\$ 53,062</u>        | <u>\$ 13,190</u> | <u>\$ 66,252</u> |

The accompanying notes are an integral part of these financial statements.

**CENTRAL FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2018**

|                                       | Program Services                     |  |                                      |                                |                           |                                  | Support Services  |                                     |                         |                  |
|---------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------|---------------------------|----------------------------------|-------------------|-------------------------------------|-------------------------|------------------|
|                                       | <u>Membership<br/>&amp; Benefits</u> | <u>Durable<br/>Medical<br/>Equipment</u> | <u>Sports<br/>And<br/>Recreation</u> | <u>2018<br/>NVWG<br/>Games</u> | <u>Occupancy<br/>Cost</u> | <u>Grants<br/>and<br/>Awards</u> | <u>Total</u>      | <u>Management<br/>&amp; General</u> | <u>Fund<br/>Raising</u> | <u>Total</u>     |
| <b>Member Events</b>                  | \$ 7,905                             | -  | -                                    | -                              | -                         | -                                | \$ 7,905          | \$ -                                | -                       | \$ -             |
| <b>Medical Equipment Donated</b>      | -                                    | 68,622                                   | -                                    | -                              | -                         | -                                | 68,622            | -                                   | -                       | -                |
| <b>Salaries and Benefits</b>          | 85,378                               | -  | 40000                                | -                              | -                         | -                                | 125,378           | 37,234                              | -                       | 37,234           |
| <b>Professional Fees</b>              | -                                    | -  | -                                    | -                              | -                         | -                                | -                 | 2,500                               | -                       | 2,500            |
| <b>Occupancy Cost</b>                 | -                                    | -  | -                                    | -                              | 25,496                    | -                                | 25,496            | -                                   | -                       | -                |
| <b>Postage</b>                        | 1,104                                | -  | -                                    | -                              | -                         | -                                | 1,104             | -                                   | -                       | -                |
| <b>Publications</b>                   | 19,178                               | -  | -                                    | -                              | -                         | -                                | 19,178            | -                                   | -                       | -                |
| <b>Office Expense</b>                 | 6,553                                | -  | -                                    | -                              | -                         | -                                | 6,553             | -                                   | -                       | -                |
| <b>Telephone &amp; Internet</b>       | -                                    | -  | -                                    | -                              | -                         | -                                | -                 | 2,528                               | -                       | 2,528            |
| <b>Travel</b>                         | 10,616                               | -  | -                                    | -                              | -                         | -                                | 10,616            | -                                   | -                       | -                |
| <b>Training and Education</b>         | 2,033                                | -  | -                                    | -                              | -                         | -                                | 2,033             | -                                   | -                       | -                |
| <b>Fundraising Costs</b>              | -                                    | -  | -                                    | -                              | -                         | -                                | -                 | -                                   | 11,163                  | 11,163           |
| <b>Grants and Awards</b>              | -                                    | -  | -                                    | -                              | -                         | 13,966                           | 13,966            | -                                   | -                       | -                |
| <b>Conferences and Meetings</b>       | -                                    | 11,614                                   | -                                    | -                              | -                         | -                                | 11,614            | -                                   | -                       | -                |
| <b>Furniture Equipment and Rental</b> | -                                    | -  | -                                    | -                              | -                         | -                                | -                 | 180                                 | -                       | 180              |
| <b>Sports and Recreation Expenses</b> | -                                    | -  | 26,855                               | -                              | -                         | -                                | 26,855            | -                                   | -                       | -                |
| <b>2018 NVWG Games</b>                | -                                    | -  | -                                    | 109,301                        | -                         | -                                | 109,301           | -                                   | -                       | -                |
| <b>Advertising and Promotion</b>      | 1,979                                | -  | -                                    | -                              | -                         | -                                | 1,979             | -                                   | -                       | -                |
| <b>Community Service</b>              | -                                    | -  | -                                    | -                              | -                         | 508                              | 508               | -                                   | -                       | -                |
| <b>Management and General</b>         | -                                    | -  | -                                    | -                              | -                         | -                                | -                 | 8,501                               | -                       | 8,501            |
| <b>Depreciation Expense</b>           | -                                    | -  | -                                    | -                              | 12,460                    | -                                | 12,460            | -                                   | -                       | -                |
| <b>Total</b>                          | <u>\$ 134,746</u>                    | <u>\$ 80,236</u>                         | <u>\$ 66,855</u>                     | <u>\$ 109,301</u>              | <u>\$ 37,956</u>          | <u>\$ 14,474</u>                 | <u>\$ 443,568</u> | <u>\$ 50,943</u>                    | <u>\$ 11,163</u>        | <u>\$ 62,106</u> |

The accompanying notes are an integral part of these financial statements.



**CENTRAL FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2019 and 2018**

|   | 2019             | 2018              |
|---|------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>   |                  |                   |
| Increase (decrease) in net assets   | \$ (9,202)       | \$ 43,522         |
| Adjustments to reconcile increase in net assets<br>to net cash from operating activities: |                  |                   |
| Depreciation expense  | 11,026           | 12,460            |
| Unrealized (gain) loss on investments   | 29,778           | (3,626)           |
| Increase in durable medical equipment   | (17,891)         | (5,088)           |
| Increase (decrease) in cash due to changes in:  |                  |                   |
| (Increase) decrease in prepaid expenses   | -                | 4,465             |
| Increase (decrease) in accrued vacation and sick pay                                      | 2,943            | 137               |
|   | 16,654           | 51,870            |
| <b>Net Cash Provided by (used in) Operating Activities</b>                                | <b>16,654</b>    | <b>51,870</b>     |
| <b>Cash Flows from Investing Activities</b>   |                  |                   |
| Purchase of investments   | (152,006)        | (78,307)          |
| Redemption of investments   | 45,000           | 65,000            |
| Purchase of property and equipment  | -                | (5,000)           |
|   | (107,006)        | (18,307)          |
| <b>Net Cash Provided by (used in) Investing Activities</b>                                | <b>(107,006)</b> | <b>(18,307)</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                               | <b>(90,352)</b>  | <b>33,563</b>     |
| <b>Cash and Cash Equivalents at Beginning of Year</b>                                     | <b>138,015</b>   | <b>104,452</b>    |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 47,663</b> | <b>\$ 138,015</b> |

The accompanying notes are an integral part of these financial statements.

Central Florida Chapter, Paralyzed Veterans of America, Inc.  
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2019 and 2018

**NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities:**

Central Florida Chapter, Paralyzed Veterans of America, Inc. (the "Organization") was incorporated as a Florida, not-for-profit corporation on June 13, 1977. The Internal Revenue Service determined the organization to be sanctioned under Section 501(c) (3). The organization was formed for the main purpose of aiding and assisting veterans of the armed forces of the United States of America and other persons who have suffered injury or disease of the spinal cord.

**Significant Accounting Policies:**

Fund Accounting

The financial statements of the organization are prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants. Under Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities - Presentation of Financial Statements, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. All of the Organization's net assets are unrestricted.

Cash and Cash Equivalents

The organization considers cash equivalents as short-term, low risk, highly liquid investments which are readily convertible to cash in three months or less. The Organization places its cash and cash equivalents with high credit quality financial institutions. Amounts held in financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) at September 30, 2019 and 2018 were \$0.

Investments

Investments are reported at fair value based on quoted market prices or, in the case of certain securities, at estimated values provided by fund managers, if available, or other valuation methods.

Income Taxes

The organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code (Code) and that contributions are tax deductible to donors under section 170 of the Code.

Central Florida Chapter, Paralyzed Veterans of America, Inc.

(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended September 30, 2019 and 2018

**NOTE 1- Nature of Activities and Summary of Significant Accounting Policies  
(Continued)**

Income Taxes (continued)

Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained. CFCPVA does not believe there are any material uncertain tax positions and; accordingly, it will not recognize any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed Internal Revenue Service Form 990 and Form 990-T tax returns as required and all other applicable returns in those jurisdictions where it is required. The Organization believes that it is not subject to U.S. federal, state and local, or non-U.S. Income tax examinations by tax authorities for fiscal years before 2016. For the years ended September 30, 2019 and 2018 respectively, there were no interest or penalties related to uncertain tax positions recorded or included in the consolidated statement of activities.

Contributed Goods and Services

The Organization receives donations of durable medical equipment (motorized wheelchairs, walkers, etc.) which are then refurbished and given to those in need. Recipients do not have to be veteran in order to receive the equipment. The program is called REEP (refurbished equipment exchange program). At September 30, 2019 and 2018, the Organization's REEP consisted of refurbished durable medical equipment and a vehicle. Contributions are considered to be available for unrestricted use unless specifically restricted. Donated equipment is recorded at fair market value discounted by 50% and is reflected as such in the financial statements.

Donated services or discounted rates given to the organization for materials and services used in providing the various programs and activities are not recorded because there is no objective basis available to value such goods and services. A substantial number of volunteers have donated or discounted a significant amount of time and goods to help further the organization's program services and its administration.

Contributed Goods and Services (continued)

Clothing that is donated on behalf of the Organization is sold through the GIVE program and the Organization receives cash from the National Organization for its share of the donated clothing. The GIVE program is administered by the National Organization. For the years ended September 30, 2019 and 2018, the amount received was \$19,643 and \$19,975, respectively.

Central Florida Chapter, Paralyzed Veterans of America, Inc.

(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended September 30, 2019 and 2018

**NOTE 1- Nature of Activities and Summary of Significant Accounting Policies  
(Continued)**

Expense Recognition and Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Certain costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of the Organization.

Recent Accounting Pronouncements Not Yet Adopted

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures.

The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources (f) presenting investment return net of external and direct expenses and (g) modify other financial statement reporting and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of their pending adoption of the new standard on the financial statements.

Advertising Costs

Advertising costs are charged to operations when incurred.

Central Florida Chapter, Paralyzed Veterans of America, Inc.

(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended September 30, 2019 and 2018

**NOTE 2 - Fair Value Measurements and Investments**

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices in active markets within Level 1 that is either directly or indirectly observable.

Level 3: Significant unobservable inputs for the asset or liability in which little, or no market data exists.

The following is a description of the valuation methodologies used for instruments measured at fair value. If available, quoted market prices are used to value investments. Equities are valued at the closing price reported on the major market on which the individual securities are traded.

All of the Organization's assets for the years ended September 30, 2019 and 2018 were Level 1. At September 30, 2019 the cost and fair value of the Organization's investments was \$1,011,295 and \$1,102,214 respectively. At September 30, 2018, the cost and fair value of the Organization's investments was \$882,958 and \$1,024,986 respectively.

Investment income for the year ended September 30, 2019 was comprised of \$20,962 of dividend and interest income, \$41,044 realized capital gains and \$29,778 of unrealized loss. Investment income for the year ended September 30, 2018 was comprised of: \$40,741 of dividend income, \$37,600 capital gain income and \$3,626 unrealized gain.

The Organization's investments are subject to certain risks, such as interest rate, credit and overall market volatility risks. Further, due to the level of risk associated with these instruments, it is reasonably possible that changes in the values of these instruments will occur in the near term and such changes could materially affect the amounts reported in the consolidated statements of activities.

Central Florida Chapter, Paralyzed Veterans of America, Inc.  
(A Non-Profit Organization)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Years Ended September 30, 2019 and 2018

**NOTE 2 - Fair Value Measurements and Investments (Continued)**

At September 30, 2019 and 2018, the Organization's investments consisted of the following:

| Fund                      | <u>2019</u>             | <u>2018</u>             |
|---------------------------|-------------------------|-------------------------|
| American Funds            |                         |                         |
| Fixed income mutual funds | \$ 217,271              | \$ 187,681              |
| Equity mutual funds       | <u>884,943</u>          | <u>837,305</u>          |
| Total American Funds      | <u><u>1,102,214</u></u> | <u><u>1,024,986</u></u> |

**NOTE 3 – Property and Equipment**

Property and equipment are stated at cost, or, if donated, at the fair market value on the date donated. Depreciation is computed over the estimated useful lives of the related assets and is computed on the straight-line method ranging from 5 to 30 years.

Repairs and maintenance are charged to operations when incurred. The Organizations capitalization policy requires capitalization of all acquisitions and/or purchases over \$3,000. The cost and accumulated depreciation of assets that are retired or disposed of are removed from the appropriate asset and accumulated depreciation account, and any resulting gain or loss is included in income.

Property and equipment consisted of the following at September 30, 2019 and 2018:

|                                   | <u>2019</u>              | <u>2018</u>              |
|-----------------------------------|--------------------------|--------------------------|
| Land                              | \$ 65,250                | \$ 65,250                |
| Buildings and improvements        | 204,036                  | 204,036                  |
| Furniture, fixtures and equipment | <u>110,121</u>           | <u>110,121</u>           |
|                                   | 379,407                  | 379,407                  |
| Less: Accumulated depreciation    | (276,797)                | (265,771)                |
| Total                             | <u><u>\$ 102,610</u></u> | <u><u>\$ 113,636</u></u> |

Central Florida Chapter, Paralyzed Veterans of America, Inc.  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Years Ended September 30, 2019 and 2018

**NOTE 4 – Durable Medical Equipment**

The Organization receives donations of REEP (refurbished equipment exchange program) durable medical equipment which the Organization in turn either sells or gives to their clients. The Organization's REEP policy for determining the fair market value for the goods received is to research the value online and reduce the value by 50% prior to recording it on their books as a donation. As of September 30, 2019 and 2018, the value assigned to the durable medical equipment on hand was \$69,853 and \$51,962, respectively.

**NOTE 5 – Support & Revenue Recognition**

The Organization annually receives a contribution from the National Office of the Paralyzed Veterans of America. There are no restrictions placed on these contributions other than those imposed by Section 501(c) (3) of the Internal Revenue Code. Pledges are recognized as support in the year obtained from the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**NOTE 6 – Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, assessments and expenses. Estimates and assumptions also affect the disclosure of contingent liabilities. Accordingly, actual results could differ from those estimates.

**NOTE 7 – Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, are primarily cash. The Organization invests its excess cash in both time deposits and short-term liquid money market instruments with major financial institutions and the carrying value approximates market value. The Organization has experienced no losses related to investments. The Organization believes it is not exposed to any significant credit risk. At September 30, 2019 and 2018, amounts held in financial institutions in excess of the Securities Investor Protection Corporation (SIPC) limit of \$500,000 were \$602,214 and \$524,986, respectively.

Central Florida Chapter, Paralyzed Veterans of America, Inc.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Years Ended September 30, 2019 and 2018

**NOTE 8 – Reclassification**

**Reclassification**

Certain prior year amounts have been reclassified to conform with the current year presentation, principally related to the presentation of dividends, gains and unrealized gain (loss) on investments.

**NOTE 9 – Subsequent Events**

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Central Florida Chapter, Paralyzed Veterans of America, Inc. through January 13, 2020 (date the financial statements were available to be issued) and concluded that no subsequent events require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.