

**PARALYZED VETERANS OF AMERICA, INC.  
NORTH CENTRAL CHAPTER**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**OFFICERS AND DIRECTORS**

Casey Davidson	President
Charles Doom	Vice President
Greg Brandner	Secretary
Gene Murphy	Treasurer
Duane Biesboer	Director
Rodney Melcher	Director
Harlan Schmidt	Director
Michael Olson	Director

**I AMFERS**  
**& MAAS, LLP**  
CPAs & Business Advisors



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Paralyzed Veterans of America, Inc., North Central Chapter  
Sioux Falls, South Dakota

We have audited the accompanying financial statements of Paralyzed Veterans of America, Inc., North Central Chapter, a South Dakota nonprofit corporation, which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 presentations of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paralyzed Veterans of America, Inc., North Central Chapter, as of September 30, 2021, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

The financial statements of Paralyzed Veterans of America, Inc., as of September 30, 2020, were audited by other auditors whose report dated December 29, 2020, expressed an unmodified opinion.

*I&M*  
*Amfers + Maas, LLP*

Sioux Falls, South Dakota

January 14, 2022

**Paralyzed Veterans of America, Inc.,  
North Central Chapter  
Statements of Financial Position  
September 30, 2021 and 2020**

<b>ASSETS</b>	2021	2020
Cash and cash equivalents	\$ 28,157	\$ 30,341
Accounts receivable	4,000	682
Prepaid expenses	6,548	4,052
Inventory	4,938	4,682
Marketable securities	897,660	835,587
Total current assets	941,303	875,344
Land	42,600	42,600
Building & Improvements	329,142	329,142
Equipment	74,549	74,549
	446,291	446,291
Less Accumulated Depreciation		
Building & Improvements	(204,012)	(195,296)
Equipment	(74,490)	(74,490)
	(278,502)	(269,786)
Net book value	167,789	176,505
Total Assets	\$ 1,109,092	\$ 1,051,849
<b>LIABILITIES</b>		
Accounts payable	\$ 3,835	\$ 7,435
Accrued compensated absences	18,559	19,060
Unearned revenue	-	740
PPP Loan	-	28,012
Total Current Liabilities	22,394	55,247
<b>NET ASSETS</b>		
Net assets without donor restrictions	1,082,807	986,501
Net assets with donor restrictions	3,891	10,101
Total Net Assets	1,086,698	996,602
Total Liabilities and Net Assets	\$ 1,109,092	\$ 1,051,849

See accompanying notes to financial statements.

**Paralyzed Veterans of America, Inc.,  
North Central Chapter  
Statements of Activities and Changes in Net Assets  
For the Years Ended September 30, 2021 and 2020**

	Without donor Restrictions	With donor Restrictions	Totals 2021	Totals 2020
<b>SUPPORT AND REVENUE</b>				
National PVA Grant	\$ 147,967	\$ -	\$ 147,967	\$ 142,290
Investment return, net	111,552	-	111,552	67,852
Other	65,258	-	65,258	2,539
Contributions	49,932	19,391	69,323	46,700
Total Support and Revenue	374,709	19,391	394,100	259,381
<b>EXPENSES</b>				
Program Services				
Public affairs	139,003	-	139,003	91,193
Membership and benefits	83,327	25,601	108,928	99,887
Research and education	4,000	-	4,000	2,750
Supporting Activities				
General and administrative	36,150	-	36,150	47,958
Fundraising	15,923	-	15,923	8,993
Total Expenses	278,403	25,601	304,004	250,781
<b>CHANGE IN NET ASSETS</b>	96,306	(6,210)	90,096	8,600
Net Assets - Beginning of Year	986,501	10,101	996,602	988,002
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,082,807</u>	<u>\$ 3,891</u>	<u>\$ 1,086,698</u>	<u>\$ 996,602</u>

See accompanying notes to financial statements.

**Paralyzed Veterans of America, Inc., North Central Chapter**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2021**

	<b>Public Affairs</b>					
	<b>Government</b>		<b>Service to</b>			
	<b>Relations</b>	<b>Sports</b>	<b>Newsletter</b>	<b>Veterans</b>	<b>Membership</b>	<b>Grants</b>
Compensation	\$ 44,672	\$ 32,988	\$ 6,054	\$ 19,309	\$ 20,610	\$ -
Professional and Consulting	-	-	-	-	-	-
Occupancy	-	2,358	-	-	16,679	-
Office supplies	-	-	150	-	9,460	-
Postage	-	-	1,260	-	900	-
Printing, publication, and promotion	100	3,700	-	3,220	3,500	-
Dues and subscriptions	440	25	-	750	395	-
Conferences, meeting, and travel	2,100	48,000	-	1,900	13,700	-
Awards and grants		4,620	-	6,991	4,050	4,000
Subtotal	47,312	91,691	7,464	32,170	69,294	4,000
Depreciation						-
Grand total	\$ 47,312	\$ 91,691	\$ 7,464	\$ 32,170	\$ 69,294	\$ 4,000



Research Services	Supporting Activities		Total Program and Supporting Activities	2020 Total Program and Supporting Activities
	General and Administrative	Fundraising		
\$ 123,633	\$ 14,545	\$ 7,273	\$ 145,451	\$ 156,501
-	11,500	-	11,500	11,300
19,037	1,125	-	20,162	17,816
9,610	8,820	-	18,430	10,944
2,160	100	-	2,260	2,155
10,520	60	8,000	18,580	13,129
1,610	-	650	2,260	2,373
65,700	-	-	65,700	14,155
19,661	-	-	19,661	13,691
251,931	36,150	15,923	304,004	242,064
-	-	-	-	8,717
<u>\$ 251,931</u>	<u>\$ 36,150</u>	<u>\$ 15,923</u>	<u>\$ 304,004</u>	<u>\$ 250,781</u>

See accompanying notes to financial statements.

**Paralyzed Veterans of America, Inc.,  
North Central Chapter  
Statements of Cash Flows  
For the Years Ended September 30, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in net assets	\$ 90,096	\$ 8,600
Items not using / providing resources		
Depreciation	8,717	8,717
Realized and unrealized (gains) losses on marketable securities	(101,637)	(54,527)
(Increase) decrease in:		
Accounts receivable	(3,318)	(682)
Prepaid expenses	(2,496)	(1,573)
Inventory	(256)	504
Increase (decrease) in:		
Accounts payable	(3,600)	(1,073)
Accrued compensated absences	(501)	2,449
Deferred revenue	(740)	350
Net Cash (Used) By Operating Activities	(13,735)	(37,235)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP loan	-	28,012
Net Cash Provided By Financing Activities	-	28,012
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of marketable securities	227,269	282,940
Purchase of marketable securities	(215,718)	(299,162)
Net Cash (Used) By Investing Activities	11,551	(16,222)
<b>NET DECREASE IN CASH</b>	(2,184)	(25,445)
Cash, Beginning of Year	30,341	55,786
<b>CASH, END OF YEAR</b>	\$ 28,157	\$ 30,341

See accompanying notes to financial statements.

**Paralyzed Veterans of America, Inc.,  
North Central Chapter  
Notes to Financial Statements  
September 30, 2021 and 2020**

**Nature of Activities:**

The Paralyzed Veterans of America, Inc., North Central Chapter has a full-time service office located in Sioux Falls, SD. They serve paralyzed veterans, veteran's spouses, and veteran's dependents. The Chapter is supported primarily by its National PVA grant.

Program services provided by the Chapter are as follows:

Membership and Benefits: This program offers assistance to veterans in obtaining benefits and in filing forms properly as well as providing benefit information to veterans. Various projects at Veterans Medical Administration Centers are funded by the Chapter and include purchases of equipment, items for patient rehabilitation, and items for veteran's nursing homes and state retirement homes.

Public Affairs: The Chapter supports legislation intended to improve the quality of life for veterans and people with disabilities. Also, the Chapter is an advocate for causes such as improving the quality of health care for veterans and other people with disabilities. Funding and support is also provided for various sport and leisure time activities for disabled veterans. Many hours are donated by chapter members for various community projects.

Research and Education: Scholarships are funded for individuals studying in the fields of nursing, physical therapy, or occupational therapy. Contributions are made to the PVA Spinal Cord Injury Research Center. Grants for assistance for doctors and nurses to attend seminars in related fields are also provided. The Chapter also provides patients with information on medical procedures and care.

**Note 1. Summary of Significant Accounting Policies:**

Basis of Financial Statement Presentation: The financial statements of North Central Chapter, Paralyzed Veterans of America presented herein are on the accrual basis. The accrual method of accounting recognizes revenues and gains when earned, and expenses and losses when incurred.

In May 2014, the FASB issued ASU 2014-09, *Revenue Recognition (Topic 606): Revenue from Contracts with Customers*. This ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Chapter implemented ASU 2014-09 effective October 1, 2019. The adoption of this accounting standard did not have an impact on the Chapter's financial position or changes in its net assets.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to clarify and improve the scope and accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Chapter implemented ASU 2018-08 effective October 1, 2019. There was no impact to net assets or changes in net assets.

Net assets without donor restrictions represent funds, which are fully available, at the discretion of management and the Board of Directors (the Board) for the Chapter to utilized in any of its programs or supporting services. Net assets with donor restrictions are comprised of funds which are restricted by donors for specific purposes or periods.

Contributions: Contributions received are measured at their fair values and are reported as an increase in

net assets. The Chapter reports gifts of cash or other assets as restricted if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The Chapter has \$10,101 in restricted contributions at year ended September 30, 2020 and \$3,891 as of September 30, 2021.

Accounts Receivable: Substantially all accounts receivable are considered collectible. Accordingly, an allowance for doubtful accounts is not required. When accounts become uncollectible, they are charged to expense when that determination is made. The risk of loss on the accounts receivable is the balance owed at the time of default. For the years ended September 30, 2021 and 2020, bad debt expense was zero.

Property Basis and Depreciation: Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. The Chapter capitalizes all expenditures for property and equipment in excess of \$2,500. Expenditures for repairs and maintenance are expensed. It is the policy of the Chapter to provide for depreciation based on the estimated useful life of the individual units of property using the straight-line method. Equipment's life is estimated to be between five and fifteen years. The life of the building and improvements is estimated to be thirty-nine years.

Marketable Securities: The Chapter carries equity funds and debt and equity mutual funds at fair market value. Debt and equity securities are carried at estimated fair market value. Unrealized gains and losses are included in the change in unrestricted net assets in the accompanying Statements of Activities and Changes in Net Assets.

Inventory: Inventory is stated at cost using the first-in, first-out method (FIFO) and consists primarily of gun shells.

Employee Benefits: The cost of employee vacation pay and sick leave is accrued as it is vested to the employee.

Income Tax Status: The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The State of South Dakota does not have an income tax. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. Management has made a review for uncertain tax positions as required by FASB ASC 740 and none were found. The Chapter's income tax filings are subject to audit by the Internal Revenue Service.

The Chapter's open audit periods are tax years 2018, 2019 and 2020.

Cash Equivalent: For purposes of the Statement of Cash Flows, the Chapter considers checking accounts, money market accounts, and certificates of deposit to be cash equivalents.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements on Recurring Basis: The Chapter follows the guidance of the Financial Accounting Standards Board under the Fair Value Measurements and Disclosures Topic (FASB ASC 820), as it applies to the Chapter's financial instruments. FASB ASC 820 defines fair value, outlines a framework for measuring fair value, and details the required disclosures about fair value measurements. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. FASB ASC 820 establishes a hierarchy in determining the fair market value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. FASB ASC 820 requires the utilization of the highest possible level of input to determine fair value. Level 1 inputs include

quoted market prices in an active market for identical assets or liabilities. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. A summary by level follows using the market approach:

	Fair Value as of			
	September 30, 2021	Level 1	Level 2	Level 3
Assets				
Marketable securities	\$ 897,660	\$ 897,660	\$ -	\$ -
	Fair Value as of			
	September 30, 2020	Level 1	Level 2	Level 3
Assets				
Marketable securities	\$ 835,587	\$ 835,587	\$ -	\$ -

Concentration of Revenue Received: The Chapter receives approximately 38% and 56% of its unrestricted revenue from the National PVA for the years ended September 30, 2021 and 2020, respectively.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising and Promotional: Advertising and promotional costs, which are included in the Statement of Functional Expenses as part of printing, publication, and promotion, are expensed as incurred. Advertising and promotional expense was \$8,515 and \$12,637 for the years ended September 30, 2021 and 2020, respectively.

Pension Plan: Pension costs are funded as accrued by the Chapter.

Fundraising: The Chapter incurred fundraising expenses of \$15,923 and \$8,993 for the years ending September 30, 2021 and 2020, respectively. Such amounts are reflected as fundraising expenses in the statements of activities.

**Note 2. Cash and Cash Equivalents:**

The cash accounts of the Chapter are as follows:

	9/30/2021	9/30/2020
Interest Bearing Checking Account, Great Western Bank, 2021 and 2020 earning .01%	\$ (56)	\$ 4,605
Money Market Savings Account, Great Western Bank, 2021 and 2020 earning .05%	19,545	16,541
Prime Fund - Capital Reserves Money Market Account, Thrivent Investment Management, Inc.	8,668	9,195
	<u>\$ 28,157</u>	<u>\$ 30,341</u>

**Note 3. Marketable Securities:**

The fair values of marketable securities held are as follows:

	<u>9/30/2021</u>
Equity mutual funds	\$ 544,973
Fixed income mutual funds	352,687
Total	<u>\$ 897,660</u>
	<u>9/30/2020</u>
Equity ETF funds	\$ 81,339
Fund LP units	7,772
Equity mutual funds	312,184
Fixed income mutual funds	434,292
Total	<u>\$ 835,587</u>

Investment return is summarized as follows:

	<u>Years Ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 17,825	\$ 20,293
Net realized and unrealized gains (losses) on marketable securities	101,637	54,526
Investment fees	(7,910)	(6,967)
Total unrestricted investment income	<u>\$ 111,552</u>	<u>\$ 67,852</u>

**Note 4. Concentration of Credit Risk:**

The Chapter's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and marketable securities.

The Chapter maintains its cash and cash equivalents at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2021 and 2020, the Chapter's uninsured cash balances (those over \$250,000) totaled \$0.

The Chapter maintains its marketable securities at two brokerage firms. The accounts are each insured by the Securities Investor Protection Corporation up to \$500,000. The brokerage firms have arranged for coverage above this limit. At September 30, 2021 and 2020, there were no uninsured marketable security balances.

**Note 5. Joint Costs that Includes a Fundraising Appeal:**

Joint costs of informational activities that include a fundraising appeal have been allocated as follows:

In the years ended September 30, 2021 and 2020, all costs were allocated to fundraising.

**Note 6. Simple IRA Plan:**

Effective January 1, 2001, the Chapter adopted a Simple IRA plan. All full-time employees earning \$5,000 or more per year are covered. Employees may make elective deferrals up to \$12,000 per year for 2021 and 2020. The Chapter has nonelective contributions of 2% of compensation. Plan expense for the year ended September 30, 2021 and 2020 was \$2,423 and \$2,432, respectively, and is included in compensation expense.

**Note 7. Donor Restricted Net Assets:**

Donor restricted net assets are available for the following purposes:

	September 30,	
	2021	2020
Various donors		
Printing Donation	\$ 157	\$ 157
Top Gun Pheasant Hunt	3,734	5,194
Fishing	-	4,750
	<u>\$ 3,891</u>	<u>\$ 10,101</u>

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

	September 30,	
	2021	2020
Various donors		
Restricted for Printing	\$ -	\$ 852
Top Gun Pheasant Hunt	19,579	-
	<u>\$ 19,579</u>	<u>\$ 852</u>

**Note 8. Operating Lease:**

As of September 30, 2020, the Chapter was leasing a copier under operating leases with an office equipment company. The lease started February 29, 2016 and requires payments of \$391 due each month. Expense related to this lease was \$1,955 and \$3,983, respectively, for the years ending September 30, 2021 and 2020. There were no future minimum payments required on the lease as of September 30, 2021.

**Note 9. Paycheck Protection Program Loan:**

The Chapter received a \$28,012 loan through the Small Business Administration for the paycheck protection program in 2020 and \$29,866 in 2021. Both loans qualified for forgiveness in 2021.

**Note 10. Subsequent Events**

The Chapter has evaluated for subsequent events through January 14, 2022, the date which the financial statements were available to be issued.