

**Greater Boston Chapter of National Spinal
Cord Injury Association, Inc.
d/b/a Rise Above Paralysis**

Financial Statements

June 30, 2013 and 2012

Romito, Tomasetti | *& Associates, P.C.*
Certified Public Accountants | 600 West Cummings Park, Suite 4050
Woburn, Massachusetts 01801-6350

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Independent Accountant's Review Report

To the Board of Directors of
Greater Boston Chapter of
National Spinal Cord Injury Association, Inc.
d/b/a Rise Above Paralysis

We have reviewed the accompanying statement of financial position of the Greater Boston Chapter of National Spinal Cord Injury Association, Inc. (the "Association," a nonprofit organization) as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The 2012 financial statements of the Greater Boston Chapter of National Spinal Cord Injury Association, Inc. were reviewed by other accountants, whose report dated November 12, 2012, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the 2013 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Romito, Tomasetti & Associates, P.C.

Woburn, Massachusetts
October 15, 2013

**Greater Boston Chapter of National Spinal Cord
Injury Association, Inc.
d/b/a Rise Above Paralysis**
Statements of Financial Position
June 30, 2013 and 2012
(See Independent Accountant's Review Report)

Assets

	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 524,233	462,261
Accounts and grants receivable	3,970	8,030
Prepaid expenses	<u>1,427</u>	<u>1,681</u>
Total current assets	529,630	471,972
 Property and equipment, net	 49	 136
	 <u>\$ 529,679</u>	 <u>472,108</u>
 Total assets		

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 533	197
Accrued expenses	4,217	3,228
Deferred revenue	<u>5,000</u>	<u>-</u>
Total current liabilities	9,750	3,425
 Unrestricted net assets	 475,058	 468,683
Temporarily restricted net assets	<u>44,871</u>	<u>-</u>
Total net assets	519,929	468,683
 Total liabilities and net assets	 <u>\$ 529,679</u>	 <u>472,108</u>

See accompanying notes to financial statements.

**Greater Boston Chapter of National Spinal Cord
Injury Association, Inc.
d/b/a Rise Above Paralysis**

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2013 and 2012
(See Independent Accountant's Review Report)

	<u>2013</u>	<u>2012</u>
Changes in unrestricted net assets:		
Revenues and other support:		
Grant revenue - Massachusetts Rehabilitation Commission	\$ 23,889	47,804
Donations - general	89,467	92,221
Donated services and materials	9,988	7,327
Donated use of facilities	9,000	13,200
Special events	26,446	23,823
Interest income	1,538	2,376
Total revenues and other support	<u>160,328</u>	<u>186,751</u>
Expenses:		
Program services:		
Massachusetts Rehabilitation Commission	8,440	53,939
Chapter Services	80,197	39,174
Total program services	<u>88,637</u>	<u>93,113</u>
Supporting services:		
Management and General	14,439	16,718
Fundraising	50,877	31,917
Total expenses	<u>153,953</u>	<u>141,748</u>
Increase in unrestricted net assets	<u>6,375</u>	<u>45,003</u>
Changes in temporarily restricted net assets:		
Contributions	44,871	-
Increase in temporarily restricted net assets	44,871	-
Increase in net assets	<u>51,246</u>	<u>45,003</u>
Net assets, beginning of year	<u>468,683</u>	<u>423,680</u>
Net assets, end of year	<u>\$ 519,929</u>	<u>468,683</u>

See accompanying notes to financial statements.

Greater Boston Chapter of National Spinal Cord Injury Association, Inc.
d/b/a Rise Above Paralysis

Statements of Functional Expenses

For the Years Ended June 30, 2013 and 2012

(See Independent Accountant's Review Report)

	2013					2012				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Rehabilitation Commission	Chapter Services	Fund- raising	Management and General	Total	Rehabilitation Commission	Chapter Services	Fund- raising	Management and General	Total
Massachusetts						Massachusetts				
Payroll	\$ 6,442	60,973	14,929	4,859	87,203	39,165	21,439	4,764	11,004	76,372
In-kind expense - rent	665	6,292	1,541	502	9,000	4,950	3,630	1,650	2,970	13,200
Payroll taxes	666	6,302	1,543	502	9,013	3,936	2,155	479	1,106	7,676
Professional services	-	-	-	7,165	7,165	3,560	1,948	433	1,000	6,941
Grants	-	1,600	-	-	1,600	-	4,525	-	-	4,525
Social events	434	1,295	-	-	1,729	-	1,833	-	-	1,833
Insurance	117	1,104	270	1,238	2,729	1,140	624	138	320	2,222
Telephone	116	1,099	269	88	1,572	818	448	100	230	1,596
Patient transportation	-	-	-	-	-	-	785	-	-	785
Office expense	-	665	4,031	-	4,696	314	393	38	88	833
Travel expenses	-	159	-	-	159	56	358	-	-	414
Fees and taxes	-	250	-	85	335	-	337	-	-	337
Advertising	-	134	-	-	134	-	250	-	-	250
Miscellaneous	-	95	-	-	95	-	196	-	-	196
Bank charges	-	-	1,687	-	1,687	-	136	492	-	628
Postage	-	142	161	-	303	-	27	-	-	27
Gala Event	-	-	15,822	-	15,822	-	-	17,149	-	17,149
Golf marathon	-	-	10,624	-	10,624	-	-	6,674	-	6,674
Depreciation	-	87	-	-	87	-	90	-	-	90
Totals	\$ 8,440	80,197	50,877	14,439	153,953	53,939	39,174	31,917	16,718	141,748

See accompanying notes to financial statements.

**Greater Boston Chapter of National Spinal Cord
Injury Association, Inc.
d/b/a Rise Above Paralysis**
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012
(See Independent Accountant's Review Report)

	<u>2013</u>	<u>2012</u>
Increase (decrease) in cash:		
Cash flows from operating activities:		
Increase in net assets:	\$ 51,246	45,003
Adjustments to reconcile the increase in net assets to net cash provided by operating activities:		
Depreciation	87	90
Changes in operating assets and other liabilities		
Accounts receivable	4,060	17,826
Prepaid expenses	254	(599)
Accounts payable	336	(126)
Accrued expenses	989	250
Deferred revenue	5,000	-
Net cash provided by operating activities	<u>61,972</u>	<u>62,444</u>
Net increase in cash and cash equivalents	61,972	62,444
Cash and cash equivalents, beginning of year	<u>462,261</u>	<u>399,817</u>
Cash and cash equivalents, end of year	<u>\$ 524,233</u>	<u>462,261</u>

See accompanying notes to financial statements.

**Greater Boston Chapter of
National Spinal Cord Injury Association, Inc.
d/b/a Rise Above Paralysis**
Notes to Financial Statements
June 30, 2013 and 2012
(See Independent Accountant's Review Report)

(1) Organization and Nature of Activities

The Greater Boston Chapter of National Spinal Cord Injury Association, Inc. (the "Association") is a nonprofit organization, organized in 1995 pursuant to the laws of the Commonwealth of Massachusetts. The Association is involved with spinal cord injuries and is dedicated to advocacy, injury prevention, peer visitation, research, resource information, public awareness, education and social activities for members and the general public. The Association receives its support primarily through fund-raising activities, grants, and donations from the general public. The Association supports the public of greater Boston.

(2) Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Those principles require the Association 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. The Association currently has no permanently restricted net assets.

(b) Method of Accounting

The financial statements have been prepared in accordance with the accrual basis method of accounting. Under this method of accounting, revenues and expenses are identified with specific periods of time and are recorded as earned or incurred without regard to the date of receipt or disbursement of cash.

(c) Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions, if any, are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Grants, contracts and similar funds received which are restricted for a specific program, fiscal year, or purpose by the contractor/grantor are initially classified as deferred revenue. These funds, which are exchange transactions and not contributions as discussed above, are recognized as revenues when the Association has incurred expenditures in compliance with the contract or grant agreement. Approximately 12% and 26% of funding in fiscal 2013 and 2012, respectively, was through a Massachusetts state grant which expired in December 2012 and has not been renewed.

**Greater Boston Chapter of
National Spinal Cord Injury Association, Inc.
d/b/a Rise Above Paralysis**

Notes to Financial Statements (Continued)
(See Independent Accountant's Review Report)

(2) **Summary of Significant Accounting Policies** (Continued)

(d) Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Association considers all unrestricted, highly liquid investments with an initial maturity of twelve months or less to be cash equivalents.

(e) Accounts Receivable

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at fiscal year-end. The Association closely monitors outstanding balances and estimates a reserve for uncollectible receivables as of year-end for all balances that are not expected to be collected. The Association assesses the collectability of pledges and grants receivable by considering factors such as the economic risk associated with the receivables and the financial condition and economic environment. Management has determined that an allowance for uncollectible receivables as of June 30, 2013 or 2012 is not necessary.

(f) Property, Equipment, and Depreciation

Purchased property and equipment is recorded at cost and donated property and equipment is recorded at fair value at the date of donation. The Association capitalizes all property and equipment acquisitions in excess of \$500. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Property and equipment are being depreciated using straight-line and accelerated methods, over their estimated useful lives which range from three to seven years.

(g) Income Tax Status

The Association is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code. Income from activities not directly related to its tax-exempt purposes, however, is subject to income tax. During the fiscal years ended June 30, 2013 and 2012, no unrelated business income revenues were generated and, accordingly, provisions for federal income taxes have not been reflected in the accompanying financial statements. The Association is currently not classified as a private foundation and qualifies for tax deductible contributions.

Accounting principles generally accepted in the United States of America require that a tax position be recognized or derecognized based on a more than likely or not threshold. This applies to tax positions taken or expected to be taken on a tax return. The Association regularly assesses the potential settlement outcomes resulting from income tax examinations. The Association does not believe that there are any uncertain tax positions that require recognition in its financial statements. As of the date of this report, the statute of limitations for examination by the Federal and Massachusetts taxing

**Greater Boston Chapter of
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Notes to Financial Statements (Continued)
(See Independent Accountant's Review Report)

(2) **Summary of Significant Accounting Policies** (Continued)

(g) Income Tax Status (Continued)

authorities is open for the Association's 2009 through 2012 tax returns (representing the fiscal years ended June 30, 2010 through 2013).

(h) Donated Services and Facilities

The Association receives donated services from a variety of unpaid volunteers assisting in the services and operations of the Association. With the exception of in-kind bookkeeping services valued at \$1,450, no other amounts have been recognized in the accompanying statement of activities because the value of the volunteer services are not susceptible to objective valuation.

The Association has been given a room at the New England Rehabilitation Hospital located at 2 Rehabilitation Way, Woburn, Massachusetts, under a month-to-month agreement. No rent is paid by the Association. The Association has been given additional space at Spaulding Rehabilitation Center, Boston, Massachusetts, to facilitate the early intervention program and peer visitation programs. The estimated fair value of the use of these two facilities during 2013 and 2012, was \$9,000 and \$13,200, respectively, and has been included in contributions and expenses in the statement of activities and changes in net assets.

(i) Functional Expenses

Expenses are charged amongst various program and supporting services primarily based on specific identification. Indirect expenses are allocated based on estimates made by management.

(i) Use of Estimates

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

(j) Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses totaled \$134 and \$250 during the years ended June 30, 2013 and 2012, respectively.

(3) **Concentrations of Credit Risk**

The Association's financial instruments exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The Association places its cash with a high credit quality financial institution. At times, however, such balances may be in excess of

**Greater Boston Chapter of
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Notes to Financial Statements (Continued)
(See Independent Accountant's Review Report)

(3) **Concentrations of Credit Risk** (Continued)

FDIC insurance limits. As of June 30, 2013, the Association had uninsured cash balances totaling approximately \$274,000 at one financial institution. The Association routinely assesses the viability of its donors and grantors, and accordingly believes that its accounts receivable credit risk exposure is limited.

(4) **Property and Equipment**

Property and equipment as of June 30, 2013 and 2012, consists of the following:

	<u>2013</u>	<u>2012</u>
Computer and Equipment	\$ 1,781	1,781
Office Furniture	<u>1,750</u>	<u>1,750</u>
Property and equipment, at cost	3,531	3,531
Accumulated depreciation	<u>3,482</u>	<u>3,395</u>
Property and equipment, net	\$ <u>49</u>	<u>136</u>

(5) **Temporarily Restricted Net Assets**

The Association received donations totaling \$44,871 during the fiscal year ended June 30, 2013 which have been restricted by the donors for the purchase of medical supplies and equipment. No amounts have been expended for this restricted purpose through June 30, 2013.

(6) **Contingencies**

The Association receives a significant portion of its funding under contracts and grants from various government, public and private agencies. In the opinion of management, these contracts have been expended in accordance with the respective terms of the contract/grant agreements. The contracts and grants are subject to audit by the appropriate agencies and, in the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Association as of June 30, 2013 or 2012, or its changes in net asset for the years then ended.

(7) **Subsequent Events**

The Association has evaluated subsequent events through October 15, 2013, which is the date that the Association's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2013 that required recognition or disclosure in these financial statements.