

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

Financial Statements

June 30, 2015 and 2014

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Independent Accountant's Review Report

To the Board of Directors of the
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, 2015, 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.

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 accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Greater Boston Chapter of National Spinal Cord Injury Association, Inc. as of, and for the year ended, June 30, 2014, were reviewed by other accountants whose report dated September 9, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

Worthington, Hughes & Hoar, P.C.

Woburn, Massachusetts
November 4, 2015

**Greater Boston Chapter of National Spinal Cord
Injury Association, Inc.
d/b/a Rise Above Paralysis**
Statements of Financial Position
June 30, 2015 and 2014
(See Independent Accountant's Review Report)

Assets

| | <u>2015</u> | <u>2014</u> |
|---------------------------------|-------------------|----------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 474,043 | 520,139 |
| Accounts and grants receivable | 97 | 271 |
| Prepaid expenses | 4,835 | 1,648 |
| Total current assets | <u>478,975</u> | <u>522,058</u> |
| Property and equipment: | | |
| Computers and equipment | 2,334 | 1,782 |
| Office furniture | 1,750 | 1,750 |
| Property and equipment, at cost | <u>4,084</u> | <u>3,532</u> |
| Accumulated depreciation | <u>(3,569)</u> | <u>(3,532)</u> |
| Property and equipment, net | <u>515</u> | <u>-</u> |
| | <u>\$ 479,490</u> | <u>522,058</u> |
| Total assets | | |

Liabilities and Net Assets

| | | |
|---|-------------------|----------------|
| Current liabilities: | | |
| Accounts payable | \$ 933 | 325 |
| Accrued expenses | 5,169 | 3,921 |
| Total current liabilities and total liabilities | <u>6,102</u> | <u>4,246</u> |
| Net assets: | | |
| Unrestricted net assets | 424,008 | 443,836 |
| Temporarily restricted net assets | 49,380 | 73,976 |
| Total net assets | <u>473,388</u> | <u>517,812</u> |
| | <u>\$ 479,490</u> | <u>522,058</u> |
| Total liabilities and net assets | | |

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, 2015 and 2014
(See Independent Accountant's Review Report)

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-----------------|
| Changes in unrestricted net assets: | | |
| Revenues and other support: | | |
| Contributions - general | \$ 66,875 | 61,820 |
| Contributions - services and materials | 22,781 | 17,242 |
| Contributions - use of facilities | 6,000 | 6,000 |
| Special events | 23,520 | 21,348 |
| Interest income | 434 | 447 |
| Net assets released from restriction | 30,171 | 18,116 |
| Total revenues and other support | <u>149,781</u> | <u>124,973</u> |
| Expenses: | | |
| Program services: | | |
| Early intervention and advocacy | 21,567 | 17,912 |
| Chapter services | 90,282 | 73,584 |
| Total program services | <u>111,849</u> | <u>91,496</u> |
| Supporting services: | | |
| Fundraising | 36,848 | 43,600 |
| Management and general | 20,912 | 21,099 |
| Total expenses | <u>169,609</u> | <u>156,195</u> |
| Decrease in unrestricted net assets | <u>(19,828)</u> | <u>(31,222)</u> |
| Changes in temporarily restricted net assets: | | |
| Contributions | 5,575 | 47,221 |
| Net assets released from restriction | (30,171) | (18,116) |
| Increase (decrease) in temporarily restricted net assets | <u>(24,596)</u> | <u>29,105</u> |
| Decrease in net assets | <u>(44,424)</u> | <u>(2,117)</u> |
| Net assets, beginning of year | <u>517,812</u> | <u>519,929</u> |
| Net assets, end of year | <u>\$ 473,388</u> | <u>517,812</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, 2015 and 2014
 (See Independent Accountant's Review Report)

| | 2015 | | | | | 2014 | | | | |
|-----------------------|-------------------------------------|---------------------|---------------------|---------------------------|----------------|-------------------------------------|---------------------|---------------------|---------------------------|----------------|
| | Program Services | | Supporting Services | | | Program Services | | Supporting Services | | |
| | Early Intervention & Advocacy | Chapter Services | Fund- raising | Management and General | Total | Early Intervention & Advocacy | Chapter Services | Fund- raising | Management and General | Total |
| Payroll | \$ 15,924 | 59,381 | 7,010 | 8,829 | 91,144 | 16,031 | 57,219 | 5,944 | 8,731 | 87,925 |
| Grants | - | 16,160 | - | - | 16,160 | - | 500 | - | - | 500 |
| Gala event | - | - | 23,520 | - | 23,520 | - | - | 21,348 | - | 21,348 |
| Professional services | - | - | - | 9,661 | 9,661 | - | - | - | 8,854 | 8,854 |
| Payroll taxes | 1,440 | 5,368 | 634 | 798 | 8,240 | 1,563 | 5,583 | 584 | 850 | 8,580 |
| Facilities use | - | 4,452 | 408 | 1,140 | 6,000 | - | 4,452 | 408 | 1,140 | 6,000 |
| Office expenses | 862 | 290 | 2,739 | - | 3,891 | - | 1,397 | 3,176 | - | 4,573 |
| Advocacy | 2,446 | 500 | 450 | - | 3,396 | - | 150 | - | - | 150 |
| Bank charges | 3 | - | 1,890 | - | 1,893 | - | - | 21 | - | 21 |
| Insurance | - | 1,193 | 111 | 287 | 1,591 | - | 934 | 76 | 1,261 | 2,271 |
| Travel expenses | 634 | 796 | - | - | 1,430 | - | 528 | - | - | 528 |
| Telephone | - | 921 | 86 | 108 | 1,115 | 318 | 1,137 | 119 | 174 | 1,748 |
| Advertising | - | 561 | - | - | 561 | - | 794 | - | - | 794 |
| Social events | - | 373 | - | - | 373 | - | 513 | - | - | 513 |
| Fees and taxes | - | 250 | - | 89 | 339 | - | 250 | - | 89 | 339 |
| Postage | 258 | - | - | - | 258 | - | 78 | 147 | - | 225 |
| Depreciation | - | 37 | - | - | 37 | - | 49 | - | - | 49 |
| Golf marathon | - | - | - | - | - | - | - | 11,777 | - | 11,777 |
| Totals | <u>\$ 21,567</u> | <u>90,282</u> | <u>36,848</u> | <u>20,912</u> | <u>169,609</u> | <u>17,912</u> | <u>73,584</u> | <u>43,600</u> | <u>21,099</u> | <u>156,195</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 Cash Flows
For the Years Ended June 30, 2015 and 2014
(See Independent Accountant's Review Report)

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|----------------|
| Increase (decrease) in cash and cash equivalents: | | |
| Cash flows from operating activities: | | |
| Decrease in net assets | \$ (44,424) | (2,117) |
| Adjustments to reconcile the decrease in net assets to net cash used by operating activities: | | |
| Depreciation | 37 | 49 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 174 | 3,699 |
| Prepaid expenses | (3,187) | (221) |
| Accounts payable | 608 | (208) |
| Accrued expenses | 1,248 | (296) |
| Deferred revenue | - | (5,000) |
| Net cash used by operating activities | <u>(45,544)</u> | <u>(4,094)</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | <u>(552)</u> | - |
| Net cash used by investing activities | <u>(552)</u> | - |
| Net decrease in cash and cash equivalents | <u>(46,096)</u> | <u>(4,094)</u> |
| Cash and cash equivalents, beginning of year | <u>520,139</u> | <u>524,233</u> |
| Cash and cash equivalents, end of year | <u>\$ 474,043</u> | <u>520,139</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, 2015 and 2014
(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 general public of the greater Boston area.

(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 same fiscal year. 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.

**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 three 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 an allowance for uncollectible receivables as of year-end. 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 of the debtors, as well as the general economic environment. Management has determined that an allowance for uncollectible receivables as of June 30, 2015 or 2014, 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 depreciation 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, 2015 and 2014, no unrelated business income revenues were generated and, accordingly, provisions for federal or state income taxes have not been reflected in the accompanying financial statements.

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 authorities is open for the Association's 2011 through 2014 tax returns (representing the fiscal years ended June 30, 2012 through 2015).

**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)

(h) Donated Services, Materials, and Use of Facilities

The Association receives donated services from a variety of unpaid volunteers assisting in the operations of the Association; however, the Association only records such services in instances where the amounts are susceptible to objective valuation. The Association also receives medical materials and supplies which are then granted to individuals. In addition, the Association receives donations of inventory that are later sold or consumed at its annual fundraising events. The following in-kind donations have been recognized in the accompanying statements of activities for the years ended June 30, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|--|------------------|---------------|
| Bookkeeping services | \$ 2,188 | 2,125 |
| Medical materials and supplies | 11,974 | - |
| Gala inventory and fundraising event costs | 8,619 | 14,623 |
| Miscellaneous | <u>-</u> | <u>494</u> |
| Total donated services and materials | <u>\$ 22,781</u> | <u>17,242</u> |

The Association has also been provided with office facilities 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 the Spaulding Rehabilitation Center, Boston, Massachusetts, to facilitate the early intervention and peer visitation programs. The estimated fair value of the use of these two facilities was \$6,000 for 2015 and 2014, and has been included in contributions and expenses in the statements of activities and changes in net assets.

(i) Functional Expenses

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

(j) 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.

(k) Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses totaled \$561 and \$794 during the years ended June 30, 2015 and 2014, respectively.

**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)

(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 maintains its cash with a high credit quality financial institution. At times, however, such balances may be in excess of FDIC insurance limits. As of June 30, 2015, the Association had uninsured cash balances totaling approximately \$225,000 at one financial institution. The Association routinely assesses the viability of its financial institutions and donors, and accordingly believes that its accounts receivable credit risk exposure is limited.

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 and 2014, consist of the following:

| | <u>2015</u> | <u>2014</u> |
|---|------------------|---------------|
| Purchase of medical supplies for peers | \$ 41,986 | 46,092 |
| Spinal cord injury peer programs and services | 3,696 | 27,884 |
| Outreach advocate services | 3,536 | - |
| Newport outreach services | <u>162</u> | <u>-</u> |
| | \$ <u>49,380</u> | <u>73,976</u> |

Temporarily restricted net assets were released from restriction during the year ended June 30, 2015, as follows:

| | <u>2015</u> | <u>2014</u> |
|---|------------------|---------------|
| Spinal cord injury peer programs and services | \$ 24,908 | 17,912 |
| Purchase of medical supplies for peers | 3,436 | 204 |
| Outreach advocate services | 1,464 | - |
| Newport outreach services | <u>363</u> | <u>-</u> |
| | \$ <u>30,171</u> | <u>18,116</u> |

(5) Contingencies

The Association periodically receives 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, 2015 or 2014, or its changes in net asset for the years then ended.

(6) Subsequent Events

The Association has evaluated subsequent events through November 4, 2015, which is the date that the Association's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2015, that required recognition or disclosure in these financial statements.