

UNITE 2 FIGHT PARALYSIS

Audited Financial Statements

For the Year Ended December 31, 2021



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Unite 2 Fight Paralysis

Opinion

We have audited the accompanying financial statements of Unite 2 Fight Paralysis (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unite 2 Fight Paralysis as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Unite 2 Fight Paralysis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Unite 2 Fight Paralysis's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Unite 2 Fight Paralysis's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Unite 2 Fight Paralysis's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

We have previously audited Unite 2 Fight Paralysis's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobson, P.C.

Portland, Oregon
April 7, 2022

UNITE 2 FIGHT PARALYSIS
STATEMENT OF FINANCIAL POSITION
December 31, 2021
(With comparative totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 452,475	\$ 426,117
Pledges receivable within one year	75,727	7,454
Prepaid expenses and deposits	2,094	1,209
 TOTAL ASSETS	 \$ 530,296	 \$ 434,780
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,950	\$ 5,545
Deferred revenue - program sponsors	27,500	25,000
Total liabilities	38,450	30,545
Net assets:		
Without donor restrictions:		
Undesignated	209,270	179,808
Board designated	250,000	200,000
Total without donor restrictions	459,270	379,808
With donor restrictions	32,576	24,427
Total net assets	491,846	404,235
 TOTAL LIABILITIES AND NET ASSETS	 \$ 530,296	 \$ 434,780

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021
(With comparative totals for 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 251,174	\$ 12,770	\$ 263,944	\$ 191,255
Program sponsors	81,000	-	81,000	57,500
Program service fees	9,073	-	9,073	11,091
Interest and other income	1,958	-	1,958	2,480
Paycheck Protection Program	26,728	-	26,728	20,800
Net assets released from restrictions:				
Satisfaction of purpose restrictions	4,621	(4,621)	-	-
Total support and revenue	374,554	8,149	382,703	283,126
Expenses:				
Program	222,367	-	222,367	135,103
Management and general	36,900	-	36,900	75,698
Fundraising	35,825	-	35,825	24,766
Total expenses	295,092	-	295,092	235,567
Change in net assets	79,462	8,149	87,611	47,559
Net assets:				
Beginning of year	379,808	24,427	404,235	356,676
End of year	\$ 459,270	\$ 32,576	\$ 491,846	\$ 404,235

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021
(With comparative totals for 2020)

	2021				2020
	Program	Management and General	Fundraising	Total	Total
Salaries and related costs	\$ 154,783	\$ 24,878	\$ 14,541	\$ 194,202	\$ 134,497
Professional services	27,802	6,116	11,269	45,187	48,745
Conferences and meetings	20,320	125	-	20,445	34,292
Travel	4,498	583	168	5,249	941
Communications	3,553	2,692	1,304	7,549	4,974
Office and other costs	11,411	2,506	8,543	22,460	12,118
 Total expenses	 \$ 222,367	 \$ 36,900	 \$ 35,825	 \$ 295,092	 \$ 235,567

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021
(With comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from contributors and grants	\$ 198,171	\$ 184,551
Cash received from program sponsorships	81,000	57,500
Cash received from program services	9,073	11,091
Cash received from Paycheck Protection Program	26,728	20,800
Cash received from interest and other income	1,958	2,480
Cash paid to employees and related costs	(194,202)	(139,412)
Cash paid to vendors	<u>(96,370)</u>	<u>(104,474)</u>
Net cash flows from operating activities	<u>26,358</u>	<u>32,536</u>
Net change in cash and equivalents	26,358	32,536
Cash and cash equivalents - beginning of year	<u>426,117</u>	<u>393,581</u>
Cash and cash equivalents - end of year	<u>\$ 452,475</u>	<u>\$ 426,117</u>

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Unite 2 Fight Paralysis (the Organization) exists to unite and empower the international spinal cord injury community to cure paralysis through advocacy, education, and support and research. Revenue is primarily from donations from individuals, businesses and foundations.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Pledges Receivable

Pledges receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management considers history with donors, and current economic and industry trends when determining the collectability of specific accounts. As a result, management determined that an allowance for doubtful accounts is not necessary.

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions and Sponsorships: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Program sponsorships are considered conditional until the event occurs. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

Program Services Fees: Revenue from conferences, and any other events for which participants pay a registration fee, is recognized when the event occurs. Unearned amounts are reported as deferred revenue on the statement of financial position. There were not unearned fees at December 31, 2021 and 2020.

Donated Assets and Services Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Paycheck Protection Program: The Paycheck Protection Program (PPP) loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance has been recognized as revenue. The Organization received PPP loans of \$26,728 and 20,800 in 2021 and 2020, respectively and met the allowable expenses conditions and recognized revenue during the same year the funds were received.

Income Tax Status

Unite 2 Fight Paralysis is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC 740 *Topic Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related costs and certain other costs, which are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Financial Information for 2020

The financial information as of December 31, 2020 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events

The Organization has evaluated all subsequent events through April 7, 2022, the date the financial statements were available to be issued.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021

2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditures at December 31, 2021 and 2020 are as follows:

	2021	2020
Cash and cash equivalents	\$ 452,475	\$ 426,117
Pledges receivable within one year	75,727	7,454
	528,202	433,571
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions (Note 3)	(32,576)	(24,427)
Net assets with board designations (Note 3)	(250,000)	(200,000)
Financial assets available for general expenditure	\$ 245,626	\$ 209,144

3. BOARD DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

During 2020, the Board of Directors designated net assets without donor restrictions of \$200,000 as an operating reserve. During 2021, the Board of Directors increased the reserve to \$250,000. Board designated net assets can be released for use by a majority vote of the board.

Net assets with donor restrictions at December 31, 2021 and 2020 consist of funds held as a fiscal sponsor for The Cure Map, which is a project working to film a documentary on living with spinal cord injuries.

4. LEASE COMMITMENTS

The Organization leases administrative offices under an operating lease agreement through December 31, 2022, with monthly rent of \$536 (\$268 in 2020). Rent expense for 2021 and 2020 totaled approximately \$6,400 and \$3,200, respectively. Lease commitments for the year ending December 31, 2022 total approximately \$6,400.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021

5. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions. Balances at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit.

The Organization's revenues are concentrated with 19% of total revenue from one donor who is also a board member in 2020).

At December 31, 2021, approximately 40% of total pledges receivable are from two individuals.