

UNITE 2 FIGHT PARALYSIS

Audited Financial Statements

For the Year Ended December 31, 2023



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, 2023, 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, 2023, 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 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobson, P.C.

Portland, Oregon
May 8, 2024

UNITE 2 FIGHT PARALYSIS
STATEMENT OF FINANCIAL POSITION
December 31, 2023
(With comparative totals for 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 443,779	\$ 389,626
Pledges receivable within one year	11,050	31,115
Prepaid expenses and other assets	13,477	15,111
 TOTAL ASSETS	 \$ 468,306	 \$ 435,852
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 25,881	\$ 23,583
Total liabilities	25,881	23,583
Net assets:		
Without donor restrictions:		
Undesignated	29,990	88,428
Board designated	350,916	300,659
Total without donor restrictions	380,906	389,087
With donor restrictions	61,519	23,182
Total net assets	442,425	412,269
 TOTAL LIABILITIES AND NET ASSETS	 \$ 468,306	 \$ 435,852

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF ACTIVITIES
For the year ended December 31, 2023
(With comparative totals for 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 356,651	\$ 60,708	\$ 417,359	\$ 239,464
Program sponsors	174,452	-	174,452	120,000
Program service fees	21,404	-	21,404	15,978
Interest and other income	10,274	-	10,274	14,479
Net assets released from restrictions:				
Satisfaction of purpose restrictions	22,371	(22,371)	-	-
Total support and revenue	585,152	38,337	623,489	389,921
 Expenses:				
Program	468,545	-	468,545	344,388
Management and general	69,506	-	69,506	62,719
Fundraising	55,282	-	55,282	62,391
Total expenses	593,333	-	593,333	469,498
 Change in net assets	(8,181)	38,337	30,156	(79,577)
 Net assets:				
Beginning of year	389,087	23,182	412,269	491,846
 End of year	\$ 380,906	\$ 61,519	\$ 442,425	\$ 412,269

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023
(With comparative totals for 2022)

	2023				2022
	Program	Management and General	Fundraising	Total	Total
Salaries and related costs	\$ 221,814	\$ 51,545	\$ 40,489	\$ 313,848	\$ 251,016
Professional services	52,433	2,475	2,047	56,955	56,766
Conferences and meetings	87,812	-	-	87,812	76,759
Travel	53,052	5,309	2,815	61,176	42,650
Communications	5,615	2,806	344	8,765	13,528
Office and other costs	47,819	7,371	9,587	64,777	28,779
 Total expenses	 \$ 468,545	 \$ 69,506	 \$ 55,282	 \$ 593,333	 \$ 469,498

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023
(With comparative totals for 2022)

	2023	2022
Cash flows from operating activities:		
Cash received from contributors and grants	\$ 437,424	\$ 284,076
Cash received from program sponsorships	174,452	92,500
Cash received from program services	21,404	15,978
Cash received from interest and other income	10,274	14,479
Cash paid to employees and related costs	(307,105)	(248,127)
Cash paid to vendors	<u>(282,296)</u>	<u>(221,755)</u>
Net cash flows from operating activities	<u>54,153</u>	<u>(62,849)</u>
Net change in cash and equivalents	54,153	(62,849)
Cash and cash equivalents - beginning of year	<u>389,626</u>	<u>452,475</u>
Cash and cash equivalents - end of year	<u><u>\$ 443,779</u></u>	<u><u>\$ 389,626</u></u>

See notes to financial statements.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2023

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

Leases, Continued

Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions and Sponsorships: Contributions and sponsorships, 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.

Program Services Fees: Revenue from conferences, and any other events for which participants pay a registration fee, is recognized when the event occurs. Registration fees, if any, received in advance are reported as unearned revenue on the statement of financial position.

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. In 2023, the Organization received artwork valued at \$9,250 (included in contribution revenue) based on the sale price of similar works by the artist. The artwork is currently held for sale and is included in prepaid expenses and other assets on the statement of financial position.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2023

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

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.

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 2022

The financial information as of December 31, 2022 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 May 8, 2024, the date the financial statements were available to be issued.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2023

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, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 443,779	\$ 389,626
Pledges receivable within one year	<u>11,050</u>	<u>31,115</u>
	454,829	420,741
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions (Note 3)	(61,519)	(23,182)
Net assets with board designations (Note 3)	<u>(350,916)</u>	<u>(300,659)</u>
Financial assets available for general expenditure	<u>\$ 42,394</u>	<u>\$ 96,900</u>

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

The Board of Directors has designated net assets without donor restrictions of \$350,916 and \$300,659 at December 31, 2023 and 2022, respectively, as an operating reserve. Board designated net assets can be released for use by a majority vote of the board.

Net assets with donor restrictions at December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Submerged documentary	\$ 41,519	\$ 19,894
Other programs	<u>20,000</u>	<u>3,288</u>
Total net assets with donor restrictions	<u>\$ 61,519</u>	<u>\$ 23,182</u>

The Organization is maintaining funds held as a fiscal sponsor for the Submerged which is a project working to film a documentary on living with spinal cord injuries.

UNITE 2 FIGHT PARALYSIS
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2023

4. OPERATING LEASE

The Organization leases administrative offices under a short-term operating lease agreement through April 30, 2024, with monthly rent of \$553. Rent expense for both 2023 and 2022 totaled approximately \$6,600. Future lease commitments total approximately \$2,200 for the year ending December 31, 2024.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statements of financial position. The Organization's revenue from contracts with customers is as follows:

	2023	2022
Revenue recognized at a point in time:		
Program service fees	\$ 21,404	\$ 15,978
Sale of rights for movie production**	-	10,000
Total contract revenue	\$ 21,404	\$ 25,978

** During 2022, the Organization received revenue for the sale of rights for a documentary film to be made. This is expected to be a one-time source of earned revenue.

There are no contract assets or liabilities related to these revenues at December 31, 2023 and 2022.

6. RETIREMENT PLAN

In 2023, the Organization established a defined contribution SIMPLE IRA plan covering all eligible employees. The plan allows for employee elective deferrals and, at the discretion of the board, a matching contribution of 3% by the Organization. Contributions to the plan totaled approximately \$3,600 in 2023.

7. CONCENTRATIONS OF CASH BALANCES ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

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.