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NATIONAL SPINAL CORD INJURY ASSOCIATION

S.E. WISCONSIN CHAPTER

FINANCIAL REPORT

DECEMBER 31, 2014

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THOMAS E. MICHALS CPA, S.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

**To the Board of Directors
National Spinal Cord Injury Association
S. E. Wisconsin Chapter**

We have audited the accompanying statements of assets and fund balances as of December 31, 2014 and the statements of revenue, expenses and changes in fund balances and the statement of cash flow for the year then ended. These financial statements are the responsibility of the Chapter's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the National Spinal Cord Injury Association, SWC, as of December 31, 2013 and for the year then ended, in conformity with U.S. generally accepted accounting principles.

Thomas E. Michals

OCTOBER 20, 2015

NATIONAL SPINAL CORD INJURY ASSOCIATION
SWC

STATEMENT OF ASSETS
AND FUND BALANCES

| | DECEMBER 31, <u>2014</u> | DECEMBER 31, <u>2013</u> |
|---|-----------------------------|-----------------------------|
| <u>ASSETS</u> | | |
| CASH AND EQUIVALENTS | \$ 81,847 | \$ 87,503 |
| ACCOUNTS RECEIVABLE | <u>500</u> | <u>2,500</u> |
| TOTAL CURRENT ASSETS | 82,347 | 90,003 |
| FURNITURE & EQUIPMENT | 11,428 | 29,921 |
| (less) ACCUMULATED DEPRECIATION | <u>(11,428)</u> | <u>(29,921)</u> |
| TOTAL FIXED ASSETS | - | - |
| TOTAL ASSETS | <u><u>\$ 82,347</u></u> | <u><u>\$ 90,003</u></u> |
| <u>LIABILITIES & NET ASSETS</u> | | |
| ACCOUNTS PAYABLE | \$ 858 | \$ - |
| PAYROLL TAXES DUE | <u>33</u> | <u>34</u> |
| TOTAL CURRENT LIABILITIES | 891 | 34 |
| BOARD DESIGNATED USE FUNDS | <u>81,456</u> | <u>89,969</u> |
| TOTAL FUND BALANCES | 81,456 | 89,969 |
| TOTAL LIABILITIES & NET ASSETS | <u><u>\$ 82,347</u></u> | <u><u>\$ 90,003</u></u> |

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**NATIONAL SPINAL CORD INJURY ASSOCIATION
SWC**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
For the Year Ended December 31,**

| | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| <u>REVENUE:</u> | | |
| CONTRIBUTIONS - DIRECT PUBLIC SUPPORT | \$ 1,170 | \$ 2,987 |
| CONTRIBUTIONS - INDIRECT PUBLIC SUPPORT | 2,463 | 2,810 |
| MEMBERSHIP DONATIONS | 375 | 185 |
| NET REVENUE FROM SPECIAL EVENTS | 8,300 | 12,175 |
| INVESTMENT INCOME | 1,087 | 872 |
| | <hr/> | <hr/> |
| TOTAL REVENUE | 13,395 | 19,029 |
| <u>EXPENSES:</u> | | |
| GRANTS AND ALLOCATIONS | 9,301 | 7,704 |
| COMPENSATION OF OFFICERS AND DIRECTORS | 600 | 600 |
| OTHER SALARIES AND WAGES | 3,123 | 681 |
| PAYROLL TAXES | 239 | 52 |
| ACCOUNTING FEES | 750 | - |
| SUPPLIES AND OFFICE EXPENSES | 1,250 | 832 |
| TELEPHONE | 631 | 180 |
| POSTAGE AND SHIPPING | 749 | 55 |
| TRAVEL | 435 | 290 |
| DEPRECIATION | - | 817 |
| FEES AND LICENSES | 360 | 368 |
| INSURANCE | 3,380 | 3,534 |
| CHANGE IN MARKET VALUE OF INVESTMENTS | 1,090 | 1,700 |
| | <hr/> | <hr/> |
| TOTAL EXPENSE | 21,908 | 16,813 |
| EXCESS OF REVENUE OVER EXPENSES | (8,513) | 2,216 |
| FUND BALANCES | | |
| BEGINNING OF YEAR | 89,969 | 87,753 |
| | <hr/> | <hr/> |
| END OF YEAR | <u>\$ 81,456</u> | <u>\$ 89,969</u> |

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

**NATIONAL SPINAL CORD INJURY ASSOCIATION
SWC**

**STATEMENT OF CASH FLOW
For the Year Ended
December 31, 2014**

| | | |
|---|-----------|-----------------------|
| CASH AND EQUIVALENTS-DECEMBER 31, 2014 | \$ | 81,847 |
| CASH AND EQUIVALENTS-DECEMBER 31, 2013 | \$ | 87,503 |
| NET (DECREASE) IN CASH AND EQUIVALENTS | \$ | <u>(5,656)</u> |
| CASH PROVIDED BY OPERATIONS | | |
| EXCESS EXPENSES OVER REVENUE | \$ | (8,513) |
| TOTAL | | <u>(8,513)</u> |
| CHANGE IN ACCOUNTS RECEIVABLE | | 2,000 |
| CHANGE IN CURRENT LIABILITIES | | 857 |
| NET (DECREASE) IN CASH AND EQUIVALENTS | \$ | <u>(5,656)</u> |

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NATIONAL SPINAL CORD INJURY ASSOCIATION
SWC

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

Note 1.

Summary of Significant Accounting Policies

Nature of Organization:

The National Spinal Cord Injury Association/S.E. Wisconsin Chapter is a non-profit organization that operates under the tax exempt status of Section 501(c)3 of the Internal Revenue Code. Accordingly no provision for capital stock or income taxes has been made. The organization's was founded to assist those in the area with spinal cord injuries and others in the prevention of such injuries, peer advising, and a quarterly newsletter. Its primary purpose is to assist newly injured people return to an all inclusive society in a productive way.

The organization's revenues are derived from public support and special events.

Method of Accounting:

The organization follows the accrual method of accounting wherein revenues and expenses are reflected in the period earned or incurred.

Cash and Other Investments:

Excess funds are invested in bank accounts earning interest and money market accounts.

As of December 31, cash and other investments were restricted for use on special projects as follows:

| | |
|----|-------------|
| | <u>2014</u> |
| \$ | 81,847 |

Investment income consisted of the following:

| | |
|---------------------------------------|-------------|
| | <u>2014</u> |
| Interest and dividends | \$ 1,087 |
| Change in Market Value of Investments | (1,090) |
| Net Investment (Loss) | \$ (3) |

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, particularly the use of market value for marketable securities. Accordingly, actual results could differ from those estimates.

Note 2.

Board Designated Use Funds

As of December 31, the Board of Directors had designated funds to be used for:

| | |
|-----------------------|---------------|
| | <u>2014</u> |
| Greater Needs Program | <u>81,456</u> |
| \$ | 81,456 |

**NATIONAL SPINAL CORD INJURY ASSOCIATION
SWC**

**SCHEDULE OF FINDINGS
For the Year Ended December 31, 2014**

A. Summary of Auditor's Results

| | |
|--|-------------|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weakness identified | No |
| Significant deficiency identified not considered to be a material weakness | Yes |
| Noncompliance material to the financial statements noted | No |

B. Financial Statement Findings

Reportable condition - internal control:

Item 1 Segregation of Duties

Condition: Several accounting functions regarding cash receipts and disbursements and the related record keeping which should be segregated are being performed by one or two individuals.

Criteria: Accounting functions should be segregated.

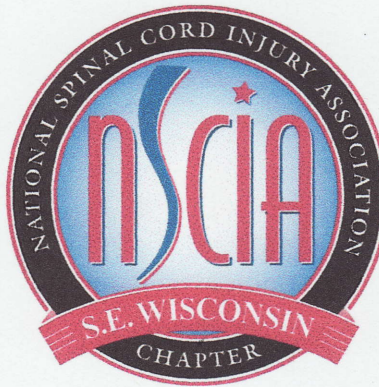
Effect: Lack of proper segregation of duties could affect the organization's ability to record, process, summarize or properly report financial data.

Recommendation: Considering the size of the organization, we believe that a proper segregation of accounting duties would be impractical and the cost of such control would exceed the benefits realized.

Comments: The organization concurs with the finding and recommendation.

No other items were noted that are required to be disclosed as findings or questioned costs.

No prior year audit findings need to be reported.



National Spinal Cord Injury Association / S.E. Wisconsin Chapter

CORRECTIVE ACTION PLAN

Thomas E. Michals CPA S.C.
October 20, 2015

Internal Control

A. Comments on Findings and Recommendations

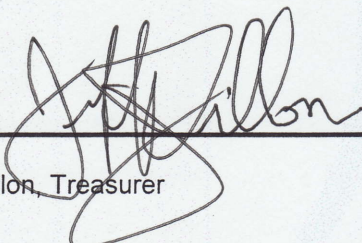
The Organization agrees with auditor's findings.

B. Actions to be Taken.

The Organization agrees with the auditor's comment that implementing a proper segregation of duties in a small entity of this size would be impractical and cost prohibitive.

National Spinal Cord Injury Association
Greater Milwaukee Area Chapter

By:



Jeffrey Dillon, Treasurer