

**RYAN SHAZIER FUND FOR  
SPINAL REHABILITATION**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
June 30, 2021**

# RYAN SHAZIER FUND FOR SPINAL REHABILITATION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Ryan Shazier Fund for Spinal Rehabilitation

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the Ryan Shazier Fund for Spinal Rehabilitation (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ryan Shazier Fund for Spinal Rehabilitation as of June 30, 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.

*Louis Plurgis Company, LLP*

Pittsburgh, Pennsylvania  
September 23, 2021

**RYAN SHAZIER FUND FOR SPINAL REHABILITATION**

STATEMENT OF FINANCIAL POSITION  
June 30, 2021

ASSETS

|                           |                   |
|---------------------------|-------------------|
| ASSETS                    |                   |
| Cash and cash equivalents | \$ 376,456        |
| Promises to give          | 20,000            |
| Prepaid expenses          | <u>619</u>        |
| TOTAL ASSETS              | <u>\$ 397,075</u> |

LIABILITIES AND NET ASSETS

|                                  |                   |
|----------------------------------|-------------------|
| LIABILITIES                      |                   |
| Accounts payable                 | \$ 788            |
| Accrued wages                    | 5,813             |
| Accrued expenses                 | <u>3,316</u>      |
| Total liabilities                | <u>9,917</u>      |
| NET ASSETS                       |                   |
| Without donor restrictions       | 367,158           |
| With donor restrictions          | <u>20,000</u>     |
| Total net assets                 | <u>387,158</u>    |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 397,075</u> |

The accompanying notes are an integral part of these financial statements.

**RYAN SHAZIER FUND FOR SPINAL REHABILITATION**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

|                                  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|----------------------------------|---------------------------------------|------------------------------------|-------------------|
| REVENUES AND OTHER SUPPORT       |                                       |                                    |                   |
| Contributions                    | \$ 513,662                            | \$ 20,000                          | \$ 533,662        |
| Total revenues and other support | <u>513,662</u>                        | <u>20,000</u>                      | <u>533,662</u>    |
| FUNCTIONAL EXPENSES              |                                       |                                    |                   |
| Program services                 | 43,473                                | -                                  | 43,473            |
| Management and general           | 91,361                                | -                                  | 91,361            |
| Fundraising                      | 11,670                                | -                                  | 11,670            |
| Total functional expenses        | <u>146,504</u>                        | <u>-</u>                           | <u>146,504</u>    |
| Change in net assets             | 367,158                               | 20,000                             | 387,158           |
| Net assets at beginning of year  | <u>-</u>                              | <u>-</u>                           | <u>-</u>          |
| NET ASSETS AT END OF YEAR        | <u>\$ 367,158</u>                     | <u>\$ 20,000</u>                   | <u>\$ 387,158</u> |

The accompanying notes are an integral part of these financial statements.

**RYAN SHAZIER FUND FOR SPINAL REHABILITATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2021

|                          | <u>Program<br/>Services</u> | <u>Management<br/>&amp; General</u> | <u>Fundraising</u> | <u>Totals</u>     |
|--------------------------|-----------------------------|-------------------------------------|--------------------|-------------------|
| Administrative           | \$ 1,214                    | \$ 22,443                           | \$ -               | \$ 23,657         |
| Communications           | 1,740                       | 26,789                              | -                  | 28,529            |
| Equipment                | 439                         | 6,758                               | -                  | 7,197             |
| Professional Development | 23                          | 360                                 | -                  | 383               |
| SCI Support              | 8,937                       | -                                   | -                  | 8,937             |
| Salaries and Wages       | 31,120                      | 35,011                              | 11,670             | 77,801            |
|                          | <u>\$ 43,473</u>            | <u>\$ 91,361</u>                    | <u>\$ 11,670</u>   | <u>\$ 146,504</u> |

The accompanying notes are an integral part of these financial statements.

**RYAN SHAZIER FUND FOR SPINAL REHABILITATION**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2021**

|  |                          |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES           |                          |
| Change in net assets                           | \$ 387,158               |
| Changes in assets and liabilities:             |                          |
| Increase in promises to give                   | (20,000)                 |
| Increase in prepaid expenses                   | (619)                    |
| Increase in accounts payable                   | 788                      |
| Increase in accrued wages                      | 5,813                    |
| Increase in accrued expenses                   | 3,316                    |
| Net cash provided by operating activities      | <u>376,456</u>           |
| <br>   |                          |
| Net increase in cash and cash equivalents      | 376,456                  |
| <br>   |                          |
| Cash and cash equivalents at beginning of year | <u>-</u>                 |
| <br>   |                          |
| CASH AND CASH EQUIVALENTS AT END OF YEAR       | <u><u>\$ 376,456</u></u> |

The accompanying notes are an integral part of these financial statements.

# RYAN SHAZIER FUND FOR SPINAL REHABILITATION

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Ryan Shazier Fund for Spinal Rehabilitation (the "Fund") is a nonprofit corporation formed in 2020. The Fund's mission is to give those with spinal cord injuries (SCI) and their caregivers the support, resources and funding they need to live independent and meaningful lives. The Fund recognizes the importance of supporting the following five elements to optimize an individual's recovery:

- 1) The nature of the injury
- 2) The self-motivation of the patient
- 3) Quality, speed, and frequency of rehabilitation services
- 4) The patient's support network's commitment of time, energy, resources, patience and compassion
- 5) Ease of navigating a very sophisticated and complicated service delivery system.

This audit covers our first year of the Fund's operation, where we have focused on putting our operational infrastructure into place and undertaking planning and design of future programs. Already in place are Shalieve Stories and Ryan Time, programs that increase awareness about SCIs and enhance self-motivation, respectively. In 2021-2022, we will begin our Golden Window program to assist SCI patients in obtaining additional rehabilitation and other services to enhance their recovery.

Basis of Accounting - The Fund's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they become earned. Expenses are recognized in the period in which the related liability is incurred.

Revenue and Revenue Recognition - The Fund recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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 met.

Net Assets - Revenues and other support 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 the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Fund reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

# RYAN SHAZIER FUND FOR SPINAL REHABILITATION

## NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents - The Fund considers all short-term instruments purchased with maturities of three months or less to be cash equivalents.

Promises to Give - Promises to give are recorded as receivables at the time the promise is made, and allowances are provided for promises estimated to be uncollectible. Promises due in the next year are recorded at their net realizable value. Promises due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received to discount the amounts.

Allowance for Doubtful Accounts - The management of the Fund considers whether promises to give balances are fully collectible. If any amounts become uncollectible, they will be charged to bad debts in the statement of activities when that determination is made. No allowance has been provided for promises to give as of June 30, 2021.

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 statement of financial position and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Fund is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Fund's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(A) as it has been classified as an organization that is not a private foundation under Section 509(a)(2).

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Fund has analyzed tax positions taken for filing with the Internal Revenue Service. The Fund believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Fund's financial condition, results of operations or cash flows. Accordingly, the Fund has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2021. The Fund's policy is to classify any income tax related interest and penalties to administrative expense in the statement of functional expense.

The Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Concentration of Credit Risk - The Fund maintains its cash and cash equivalents with one financial institution as of June 30, 2021. Its accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The FDIC provides each depositor up to \$250,000 in coverage at each separately chartered insured depository institution. The Fund has not experienced any losses on the deposits and management believes the Fund is not exposed to any significant credit risk related to cash. At June 30, 2021, the Fund's uninsured cash balance is \$126,456.

The Fund received one contribution that exceeded 10% of its total revenues and other support during the year ended June 30, 2021.

Advertising - The Fund expenses advertising costs as they are incurred. Advertising costs include indirect advertising. Advertising costs incurred during the year then ended June 30,

# RYAN SHAZIER FUND FOR SPINAL REHABILITATION

## NOTES TO FINANCIAL STATEMENTS

2021 were \$19,100 and is included in communications expense in the statement of functional expenses.

Functional Expenses - The financial statements report categories of expenses that are attributable to programs or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on estimate of time and effort. All other costs have been allocated among the programs and supporting services benefited.

Recent Accounting Standards Updates - The Financial Accounting Standards Board (FASB) issued new Accounting Standard Updates (ASUs) addressing various accounting and reporting standards. Management has determined based on their review that the following ASU issued recently may be applicable to the Fund. As new ASUs are released, management will assess if they are applicable and if they are applicable, their effect will be included in the notes to the financial statements.

In September 2020, the FASB issued ASU 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets," which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the statement of activities, disaggregated by category that depicts the type of nonfinancial assets.

For each category of contributed nonfinancial assets recognized, the standard requires a not-for-profit to disclose:

- Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If they were utilized, a description of the programs or other activities in which those assets were used is required.
- The not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
- A description of any donor-imposed restrictions associated with the contributed nonfinancial assets
- The valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurement, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

FASB is requiring the standard to be applied retrospectively. The amendments take effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption of the standard is permitted. Management has determined that the adoption of this guidance will have an impact on the financial statements and notes thereto when it becomes effective.

## RYAN SHAZIER FUND FOR SPINAL REHABILITATION

### NOTES TO FINANCIAL STATEMENTS

#### 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2021:

|  |                   |
|--|-------------------|
| Financial assets at year end:  |                   |
| Cash and cash equivalents  | \$ 376,456        |
| Promises to give   | <u>20,000</u>     |
| Total financial assets   | <u>396,456</u>    |
| Less those unavailable for general expenditures within one year due to:                |                   |
| Contractual or donor-imposed restrictions:   |                   |
| Restricted by donor with time restrictions   | <u>(15,000)</u>   |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 381,456</u> |

In addition to financial assets available to meet general expenditures over the next 12 months, the Fund operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

#### 3. PROMISES TO GIVE

Promises to give as of June 30, 2021 are as follows:

|                    |                  |
|--------------------|------------------|
| Promises to give   | <u>\$ 20,000</u> |
| Amounts due in :   |                  |
| Less than one year | 5,000            |
| One to five years  | <u>15,000</u>    |
|                    | <u>\$ 20,000</u> |

Promises to give due in more than one year are not reflected at the present value of estimated future cash flows due to its immateriality.

#### 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose as of June 30, 2021:

|                                    |                  |
|------------------------------------|------------------|
| Time-restricted for future periods | <u>\$ 20,000</u> |
|------------------------------------|------------------|

#### 5. CONTRIBUTED SERVICES

The Fund receives minimal, if any, donated services from unpaid volunteers. No amounts have been recognized in the statements of activities because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

## RYAN SHAZIER FUND FOR SPINAL REHABILITATION

### NOTES TO FINANCIAL STATEMENTS

6. RELATED PARTY TRANSACTIONS

The Fund received cash contributions from its Board of Directors. Contributions totaled \$241,595 for the year ended June 30, 2021.

7. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events in accordance with ASC Topic 855, Subsequent Events, through September 23, 2021, which is the date the financial statements were available to be issued. During its evaluation, no subsequent event items were identified.