

# Wheelchairs 4 Kids, Inc.

## Financial Statements

May 31, 2023 and 2022



**WHEELCHAIRS 4 KIDS, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wheelchairs 4 Kids, Inc.  
Tarpon Springs, Florida

### ***Opinion***

We have audited the accompanying financial statements of Wheelchairs 4 Kids, Inc., (the Organization), which comprise the statements of financial position as of May 31, 2023 and 2022, and the related statements of activities, and cash flows for the years then ended, and the statement of functional expenses for the year ended May 31, 2023, 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 Wheelchairs 4 Kids, Inc. as of May 31, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 Wheelchairs 4 Kids, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 the Organization'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.

**CONTINUED**

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

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 Wheelchairs 4 Kids, Inc.'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 Wheelchairs 4 Kids, Inc.'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.

### Report on Summarized Comparative Information

We have previously audited Wheelchairs 4 Kids, Inc. financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PDR CPAs + Advisors*

Oldsmar, Florida  
September 5, 2023

**WHEELCHAIRS 4 KIDS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 778,844	\$ 625,202
Grants receivable	6,000	-
Inventory, net	40,099	46,052
Prepaid expenses	2,555	8,729
<b>Total current assets</b>	827,498	679,983
<b>Property and Equipment, Net</b>	49	824
<b>Other Assets</b>		
Agency reserve fund - CFTB	98,549	94,508
Operating lease right-of-use asset	58,337	-
Deposits	3,120	3,662
<b>Total Assets</b>	\$ 987,553	\$ 778,977
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 10,098	\$ 12,518
Current portion of operating lease liability	27,390	-
Other current liabilities	6,000	316
<b>Total current liabilities</b>	43,488	12,834
<b>Long-Term Liabilities</b>		
Operating lease liability, net of current portion	31,809	-
<b>Total liabilities</b>	75,297	12,834
<b>Net Assets</b>		
Net assets without donor restrictions:		
Undesignated	791,711	621,830
Net investment in property and equipment	49	824
Total net assets without donor restrictions	791,760	622,654
Net assets with donor restrictions	120,496	143,489
<b>Total net assets</b>	912,256	766,143
<b>Total Liabilities and Net Assets</b>	\$ 987,553	\$ 778,977

See accompanying notes to financial statements

**WHEELCHAIRS 4 KIDS, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2023	2022
<b>Operating Support and Revenue</b>				
Corporate and foundation grants	\$ 386,802	\$ 245,343	\$ 632,145	\$ 544,141
Contributions	108,005	-	108,005	128,058
Special events, net of				
direct costs of \$270,380	298,522	-	298,522	338,327
Contributed nonfinancial assets	470,756	-	470,756	459,206
Other revenue	41,882	-	41,882	4,903
Net assets released from restrictions	268,336	(268,336)	-	-
<b>Total operating support and revenue</b>	<b>1,574,303</b>	<b>(22,993)</b>	<b>1,551,310</b>	<b>1,474,635</b>
<b>Operating Expenses</b>				
Program services	1,237,447	-	1,237,447	1,104,793
Supporting services				
Management and general	67,607	-	67,607	68,612
Fundraising	98,490	-	98,490	75,205
<b>Total operating expenses</b>	<b>1,403,544</b>	<b>-</b>	<b>1,403,544</b>	<b>1,248,610</b>
<b>Change in Net Assets Before Other Changes</b>	<b>170,759</b>	<b>(22,993)</b>	<b>147,766</b>	<b>226,025</b>
<b>Other Changes - Revenue (Expense)</b>				
Unrealized loss - agency reserve fund	(1,653)	-	(1,653)	(7,824)
Gain on forgiveness of PPP note payable	-	-	-	46,627
<b>Total other changes</b>	<b>(1,653)</b>	<b>-</b>	<b>(1,653)</b>	<b>38,803</b>
<b>Change in Net Assets</b>	<b>169,106</b>	<b>(22,993)</b>	<b>146,113</b>	<b>264,828</b>
<b>Net Assets at Beginning of Year</b>	<b>622,654</b>	<b>143,489</b>	<b>766,143</b>	<b>501,315</b>
<b>Net Assets at End of Year</b>	<b>\$ 791,760</b>	<b>\$ 120,496</b>	<b>\$ 912,256</b>	<b>\$ 766,143</b>

See accompanying notes to financial statements

**WHEELCHAIRS 4 KIDS, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Support and Revenue</b>			
Corporate and foundation grants	\$ 248,041	\$ 296,100	\$ 544,141
Contributions	128,058	-	128,058
Special events, net of direct costs of \$175,739	338,327	-	338,327
Contributed nonfinancial assets	459,206	-	459,206
Other revenue	4,903	-	4,903
Net assets released from restrictions	284,694	(284,694)	-
<b>Total operating support and revenue</b>	<u>1,463,229</u>	<u>11,406</u>	<u>1,474,635</u>
<b>Operating Expenses</b>			
Program services	1,104,793	-	1,104,793
Supporting services			
Management and general	68,612	-	68,612
Fundraising	75,205	-	75,205
<b>Total operating expenses</b>	<u>1,248,610</u>	<u>-</u>	<u>1,248,610</u>
<b>Change in Net Assets Before Other Changes</b>	214,619	11,406	226,025
<b>Other Changes - Revenue</b>			
Unrealized loss - agency reserve fund	(7,824)	-	(7,824)
Gain on forgiveness of PPP note payable	46,627	-	46,627
<b>Total other changes</b>	38,803	-	38,803
<b>Change in Net Assets</b>	253,422	11,406	264,828
<b>Net Assets at Beginning of Year</b>	<u>369,232</u>	<u>132,083</u>	<u>501,315</u>
<b>Net Assets at End of Year</b>	<u>\$ 622,654</u>	<u>\$ 143,489</u>	<u>\$ 766,143</u>

See accompanying notes to financial statements

**WHEELCHAIRS 4 KIDS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	Supporting Services				Total	
	Program Services	Management and General	Fundraising Expenses	Total Supporting Services	2023	2022
Salaries	\$ 185,648	\$ 31,384	\$ 53,906	\$ 85,290	\$ 270,938	\$ 235,107
Payroll taxes	13,760	2,326	3,995	6,321	20,081	17,980
Employee insurance	25,783	4,359	7,487	11,846	37,629	33,448
<b>Total salaries and related expenses</b>	<b>225,191</b>	<b>38,069</b>	<b>65,388</b>	<b>103,457</b>	<b>328,648</b>	<b>286,535</b>
Let's Roll: wheelchairs and equipment	856,683	-	-	-	856,683	769,243
Wheely Fun Days: activities	70,887	-	-	-	70,887	73,862
Occupancy	29,757	5,251	-	5,251	35,008	23,640
Accounting fees	-	17,205	-	17,205	17,205	19,338
Advertising and promotional	3,516	-	620	620	4,136	8,949
Telephone and internet	6,877	405	809	1,214	8,091	5,677
Registration fees	-	-	13,847	13,847	13,847	5,625
Insurance	4,848	855	-	855	5,703	6,715
Travel	3,668	-	647	647	4,315	5,041
Office expense and supplies	11,424	2,285	1,523	3,808	15,232	12,561
Information and technology	4,901	980	653	1,633	6,534	9,708
Postage and printing	3,851	770	513	1,283	5,134	2,548
Payroll fees	2,435	412	707	1,119	3,554	3,078
Repairs and maintenance	3,680	649	-	649	4,329	457
Meals and training	-	-	3,244	3,244	3,244	99
Program networking	-	-	1,872	1,872	1,872	3,896
Program service	2,839	-	-	-	2,839	-
Storage	2,700	-	-	-	2,700	-
Bank and merchant fees	-	-	7,542	7,542	7,542	6,216
Outside contract services	2,974	503	863	1,366	4,340	3,620
Community management fees	635	107	184	291	926	835
<b>Total expenses before depreciation</b>	<b>1,236,866</b>	<b>67,491</b>	<b>98,412</b>	<b>165,903</b>	<b>1,402,769</b>	<b>1,247,643</b>
Depreciation	581	116	78	194	775	967
<b>Total Functional Expenses</b>	<b>\$ 1,237,447</b>	<b>\$ 67,607</b>	<b>\$ 98,490</b>	<b>\$ 166,097</b>	<b>\$ 1,403,544</b>	<b>\$ 1,248,610</b>

See accompanying notes to financial statements



**WHEELCHAIRS 4 KIDS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MAY 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 146,113	\$ 264,828
<b>Adjustments to reconcile the change in net assets to net cash provided by operating activities:</b>		
Depreciation	775	967
Change in - agency reserve fund	897	7,021
Gain on forgiveness of note payable - PPP	-	(46,627)
Noncash operating lease expense	26,425	-
Contributed inventory capitalized	(16,291)	(32,667)
<b>Decrease (increase) in:</b>		
Contributions receivable	(6,000)	9,500
Prepaid expenses	6,174	(1,746)
Inventory	22,244	29,333
Other assets	542	(2,324)
<b>Increase (decrease) in:</b>		
Accounts payable and accrued expenses	(2,420)	(1,033)
Change in lease liability	(25,562)	-
Other current liabilities	5,683	-
	158,580	227,252
<b>Net cash provided by operating activities</b>		
<b>Cash Flows from Investing Activities:</b>		
Transfer of funds to agency reserve fund	(4,938)	(101,529)
	(4,938)	(101,529)
<b>Net cash (used in) investing activities</b>		
<b>Net Increase in Cash and Cash Equivalents</b>	153,642	125,723
<b>Cash and Cash Equivalents at Beginning of Year</b>	625,202	499,479
<b>Cash and Cash Equivalents at End of Year</b>	\$ 778,844	\$ 625,202

See accompanying notes to financial statements

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE A - NATURE OF ORGANIZATION**

Wheelchairs 4 Kids, Inc. (the Organization) a not-for-profit organization located in Tarpon Springs, Florida and is dedicated to improving the lives of children with physical disabilities. The Organization operates primarily two programs – Wheely Fun Days and the Let’s Roll Program. Wheely Fun Days focuses on inclusion, allowing the children served to experience activities that are taken for granted. Wheely Fun Days puts children out in the community, improving their social skills and fostering acceptance of individual differences. The Let’s Roll Program provides wheelchairs, home and vehicle modifications as well as other assistive equipment at no charge to the families. The Organization is supported primarily through donor contributions and grants.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

**Measure of Operations**

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing services. Nonoperating activities, if any, are limited to unrealized gain and losses and other activities considered to be of a more unusual or nonrecurring nature.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates in the financial statements include fair value of certain investment assets, collectability of receivables, valuation of inventory, determination of useful lives of the property and equipment, estimated value of donated goods and services and allocation of expenses by function.

**Fair Value Measurement**

The financial statements are prepared in accordance with an accounting standard, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on deposit with financial institutions and money market mutual fund accounts. The Organization considers all cash equivalents with an initial maturity of three months or less as cash.

Cash and cash equivalents which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended May 31, 2023 and 2022, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

**Inventory**

Inventory consists of purchased and donated wheelchairs and other adaptive equipment. Purchased inventory is valued at cost and donated inventory is valued at the estimated fair market value based on vendor invoices or current sale prices for similar equipment at the time of donation. Management determined that no valuation allowance was necessary at May 31, 2023 and 2022.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from five to ten years. Major renewals and betterments with an estimated useful life in excess of one year are capitalized. Donations are recorded at fair value as of the date received.

**Grants and Contributions - Revenue Recognition**

Grants and contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions receivable are stated at the amount management expects to collect. The Organization has determined that all amounts are collectable; accordingly no allowance for uncollectible accounts has been recorded at May 31, 2023.

**Leases**

The Organization leases office space, classified as an operating lease. The determination of whether an arrangement is a lease is made at the lease's inception. 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.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the accompanying statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the 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 uses the implicit rate in the lease when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses a risk free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. 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.

For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Adoption of New Accounting Standards**

*Contributed Nonfinancial Assets*

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-07 (Topic 958) – *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosures.

*Leases*

Effective June 1, 2022, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"). The new leases standard modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements.

The Organization adopted the new leases standard utilizing the modified retrospective transition method, under which amounts in prior periods presented were not restated. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. Upon adoption, the Organization recorded \$82,937 of right-of-use ("ROU") assets and lease liabilities on its statement of financial position. The adoption of the new leases standard did not have a material impact on the Organization's results of operations or cash flows.

**Functional Allocation of Expenses**

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates are based on factors such as time and effort or direct costs. Salaries and related expenses and payroll fees are allocated based on time and effort. Occupancy and insurance expenses are allocated on a square footage basis.

**Income Tax Status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Uncertain Tax Positions**

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

**Summarized Comparative Financial information**

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended May 31, 2022, from which the summarized information was derived.

**Reclassifications**

Certain amounts in the 2022 financial statements have been reclassified for presentation purposes. These reclassifications had no impact on the ending net assets at May 31, 2022.

**NOTE C - AVAILABILITY AND LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating costs and other financial commitments. Excess cash is invested in a money market account and is available for operations.

The Organization has certain donor-restricted net assets that are available for general expenditures within one year of May 31, 2023, because the restrictions on the net assets are expected to be met by conducting the normal activities of its programs in the coming year.

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures in one year. The Organization operates with a balanced budget and anticipates collecting adequate unrestricted support to cover general expenditures not covered by donor-restricted resources.

Financial assets available to meet general expenditures over the next twelve months consist of cash and cash equivalents and contributions receivable of \$784,844 and \$625,202 at May 31, 2023 and 2022, respectively. The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

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**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at May 31:

	2023	2022
Furniture and fixtures	\$ 9,693	\$ 9,693
Less accumulated depreciation	(9,644)	(8,869)
	\$ 49	\$ 824

Depreciation was \$775 and \$967 for the years ended May 31, 2023 and 2022, respectively.

**NOTE E - AGENCY RESERVE FUND**

The Organization established a reserve fund in June 2021 with the Community Foundation of Tampa Bay (CFTB). The assets of the reserve fund are invested according to the CFTB investment policy. Funds are able to be distributed to the Organization in accordance with the CFTB agreement. As of May 31, 2023 and 2022, the fair value of these assets was \$98,549 and \$94,508, respectively and are included in net assets without donor restrictions. Unrealized gains and losses are included in the statements of activities within other changes. Realized gains and losses are included within other revenues net of investment fees.

**NOTE F - FAIR VALUE MEASUREMENT**

The Organization's investments are reported at fair value in the accompanying statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value.

*Agency reserve fund* - The investments are managed by an unrelated third party and are valued based upon the third party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values. Management has determined that these should be reported at Level 3 because the fair values for these assets have unobservable inputs.

The fair values of assets measured on a recurring basis at May 31, 2023 are as follows:

	May 31, 2023			
Description	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Investments:				
Agency reserve fund	\$ -	\$ -	\$ 98,549	\$ 98,549
	\$ -	\$ -	\$ 98,549	\$ 98,549

**WHEELCHAIRS 4 KIDS, INC.**  
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**NOTE F - FAIR VALUE MEASUREMENT - CONTINUED**

The fair values of assets measured on a recurring basis at May 31, 2022 are as follows:

May 31, 2022				
Description	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Investments:				
Agency reserve fund	\$ -	\$ -	\$ 94,508	\$ 94,508
	\$ -	\$ -	\$ 94,508	\$ 94,508

The following is a summary of changes in the fair value of the Organization's Level 3 assets for the years ended May 31:

	2023	2022
Balance at beginning of year	\$ 94,508	\$ -
Contributions	4,938	101,529
Distributions	-	-
Dividends & interest	2,200	1,634
Investment fees	(926)	(831)
Net (loss) on investments	(2,171)	(7,824)
Balance, at end of year	\$ 98,549	\$ 94,508

**NOTE G - CONTINGENCIES AND COMMITMENTS**

The Organization may be subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Organization is in compliance with the terms of its grant agreements.



**WHEELCHAIRS 4 KIDS, INC.**  
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**NOTE H - CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets included in the accompanying statements of activities are as follows for each of the years ended May 31:

<u>2023</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Donated Goods	\$ 8,027	\$ 636	\$ -	\$ 8,663
Donated Space	2,700	-	-	2,700
Event Supplies & Donations	71,576	-	121,361	192,937
Medical Equipment	368,974	-	768	369,742
Professional services	15,850	-	-	15,850
	<u>\$ 467,127</u>	<u>\$ 636</u>	<u>\$ 122,129</u>	<u>\$ 589,892</u>

<u>2022</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Donated Goods	\$ 11,149	\$ -	\$ -	\$ 11,149
Event Supplies & Donations	61,093	-	134,913	196,006
Medical Equipment	306,837	-	1,260	308,097
Professional services	2,390	-	-	2,390
	<u>\$ 381,469</u>	<u>\$ -</u>	<u>\$ 136,173</u>	<u>\$ 517,642</u>

All Donated goods and services were utilized by Wheelchairs 4 Kids, Inc.'s programs, management and general and supporting services or capitalized as inventory. There were no donor-imposed restrictions associated with the donated goods and services.

Donated professional services are valued at current rates charged for those services. Certain services are provided to the Organization gratis or at a cost substantially less than fair market value. The difference between the actual charge and the estimated fair market value is reflected as contributed nonfinancial assets revenue and expense in the accompanying statements.

**NOTE I - LEASES**

The Organization leases office space under a noncancelable operating lease. The lease expires June 2025. The operating lease agreement provide for minimum lease payments through the lease expiration dates and do not include payments adjusted for inflation.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE I - LEASES - CONTINUED**

Variable payments included in the leases that are not determinable at the lease commencement are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants. Short-term leases, defined as leases with initial terms of 12 months or less, are not reflected on the accompanying statement of financial position. Lease expense for such short-term leases is not material.

During the year ended May 31, 2023 recognized rent expense associated with leases is as follows:

Operating lease expense:	
Operating lease expense	\$25,562
Short-term lease expense	<u>4,615</u>
Total lease expense	<u><u>\$30,177</u></u>

During the year ended May 31, 2023 cash and non-cash activities associated with leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$25,562
ROU assets obtained in exchange for new operating lease liabilities	\$82,937

The weighted average remaining lease terms and weighted average discount rates for leases are as follows at May 31, 2023:

Weighted-average remaining lease term in years for operating leases	2.08
Weighted-average discount rate for operating leases	2.85%

The future payments due under operating and finance leases as of May 31, 2023 is as follows:

<u>Years ending May 31,</u>	<u>Amount</u>
2024	\$ 28,654
2025	29,777
2026	<u>2,488</u>
Total undiscounted cash flows	60,919
Less: present value discount	<u>(1,720)</u>
Total lease liabilities	<u><u>\$ 59,199</u></u>

**NOTE J - NET ASSETS WITH DONOR RESTRICTIONS**

As of May 31, 2022, net assets with donor restrictions were overstated by \$84,539, and net assets without donor restrictions were understated by \$84,539. This is a classification error and has no impact on total net assets at May 31, 2022.

**WHEELCHAIRS 4 KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE J - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED**

Net assets with donor restrictions, as restated, as of May 31, 2023 and 2022 totaled \$120,496 and \$143,489, respectively, and were comprised of grants and contributions restricted to the Let's Roll program.

The program provides wheelchairs and other adaptive equipment to children whose families would otherwise not be able to afford them. In addition, certain amounts included in the total are also restricted to provide program services to residents of certain counties in Florida and Texas.

**NOTE K - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through September 5, 2023, the date the financial statements were available to be issued. The Organization is not aware of any subsequent which would require recognition or disclosures in the financial statements.