

*Audited Financial Statements*

***Brain Injury Alliance of Connecticut, Inc.***

*Years ended June 30, 2017 and 2016  
with Independent Auditors' Report*

Brain Injury Alliance of Connecticut, Inc.

Years ended June 30, 2017 and 2016

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## Independent Auditors' Report

To the Board of Directors of  
Brain Injury Alliance of Connecticut, Inc.

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

We have audited the accompanying financial statements of Brain Injury Alliance of Connecticut, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditor's 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.

## Independent Auditors' Report (continued)

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brain Injury Alliance of Connecticut, Inc. as of June 30, 2017 and 2016, and the statements of activities and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
October 6, 2017

Brain Injury Alliance of Connecticut, Inc.  
 Statements of Financial Position  
 June 30, 2017 and 2016

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Current assets:		
Cash and cash equivalents	\$ 380,607	\$ 363,290
Contributions, grants and other receivables, net	20,579	15,280
Prepaid expenses	8,773	9,103
Security deposits	4,449	4,449
Total current assets	414,408	392,122
Property and equipment, net	18,768	25,409
Capitalized website development costs, net	-	2,818
Total assets	\$ 433,176	\$ 420,349
 <b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,468	\$ 1,513
Accrued personnel expenses	20,453	18,316
Deferred revenue	2,006	15,502
Total current liabilities	23,927	35,331
Total liabilities	23,927	35,331
Net assets		
Unrestricted	409,249	376,744
Temporarily restricted	-	8,274
Total net assets	409,249	385,018
Total liabilities and net assets	\$ 433,176	\$ 420,349

*See accompanying notes*

Brain Injury Alliance of Connecticut, Inc.  
Statements of Activities and Changes in Net Assets  
Year Ended June 30, 2017 with Comparative Totals for 2016

	Unrestricted	Temporarily Restricted	Total 2017	Total 2016
<b>Public support and other revenues:</b>				
Special events	\$ 152,468	\$ -	\$ 152,468	\$ 155,641
Less: direct costs	(25,573)	-	(25,573)	(22,609)
Total special events, net	126,895	-	126,895	133,032
Government grants	310,803	-	310,803	300,388
Foundation grants	14,200	-	14,200	43,599
Contributions	23,830	-	23,830	36,247
United Way funding	14,846	-	14,846	15,447
Professional workshops	59,387	-	59,387	47,715
Memberships	9,250	-	9,250	13,575
Memorials	6,421	-	6,421	4,952
Interest income	597	-	597	1,122
Gain on sale of property and equipment	100	-	100	-
Net assets released from restriction	8,274	(8,274)	-	-
Total public support and other revenues	574,603	(8,274)	566,329	596,077
<b>Expenses:</b>				
Program services	470,501	-	470,501	522,101
Supporting services:				
Fundraising	35,367	-	35,367	35,104
Management and general	36,230	-	36,230	43,734
Total supporting services	71,597	-	71,597	78,838
Total expenses	542,098	-	542,098	600,939
<b>Change in net assets</b>	<b>32,505</b>	<b>(8,274)</b>	<b>24,231</b>	<b>(4,862)</b>
<b>Net assets - beginning of year</b>	<b>376,744</b>	<b>8,274</b>	<b>385,018</b>	<b>389,880</b>
<b>Net assets - end of year</b>	<b>\$ 409,249</b>	<b>\$ -</b>	<b>\$ 409,249</b>	<b>\$ 385,018</b>

*See accompanying notes*

Brain Injury Alliance of Connecticut, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2017

	Brain Injury Services	Community Education and Outreach	Legislative Advocacy	Social Events	Support Groups	Total Programs	Fundraising	Management and General	Total Expenses
Salaries	\$ 105,867	\$ 163,008	\$ 3,024	\$ 1,552	\$ 4,898	\$ 278,349	\$ 17,898	\$ 24,584	\$ 320,831
Payroll taxes	8,784	13,507	230	165	396	23,082	1,721	2,011	26,814
Fringe benefits	11,952	17,919	172	811	469	31,323	4,201	2,214	37,738
Total payroll and related expenses	126,603	194,434	3,426	2,528	5,763	332,754	23,820	28,809	385,383
Professional fees	4,891	6,869	25	109	321	\$ 12,215	925	1,011	14,151
Office expense and supplies	2,537	3,955	67	181	67	6,807	827	438	8,072
Telephone	1,447	2,062	22	93	57	3,681	427	281	4,389
Postage and shipping	947	1,210	6	15	47	2,225	225	208	2,658
Insurance	2,401	3,436	39	148	101	6,125	714	460	7,299
Printing and publications	1,170	1,559	1	48	40	2,818	346	209	3,373
Subscriptions and fees	1,622	2,390	25	111	53	4,201	557	318	5,076
Conferences, meetings and training	1,715	29,501	151	134	51	31,552	584	626	32,762
Public awareness	-	143	11,744	-	-	11,887	-	-	11,887
Payment to affiliate	1,389	1,919	26	56	85	3,475	270	255	4,000
Travel	175	2,678	25	6	169	3,053	238	4	3,295
Rent expense	16,571	23,629	257	1,072	654	42,183	4,894	3,217	50,294
Total expenses before depreciation and amortization	161,468	273,785	15,814	4,501	7,408	462,976	33,827	35,836	532,639
Depreciation and amortization	2,680	4,554	-	221	70	7,525	1,540	394	9,459
Total expenses	\$ 164,148	\$ 278,339	\$ 15,814	\$ 4,722	\$ 7,478	\$ 470,501	\$ 35,367	\$ 36,230	\$ 542,098

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2016

	Community						Fundraising	Management and General	Total Expenses
	Brain Injury Services	Education and Outreach	Legislative Advocacy	Social Events	Support Groups	Total Programs			
Salaries	\$ 134,216	\$ 152,524	\$ 2,467	\$ 3,021	\$ 10,242	\$ 302,470	\$ 17,026	\$ 27,456	\$ 346,952
Payroll taxes	10,691	12,325	201	291	783	24,291	1,603	2,226	28,120
Fringe benefits	17,352	19,258	276	811	1,548	39,245	4,004	3,330	46,579
Total payroll and related expenses	162,259	184,107	2,944	4,123	12,573	366,006	22,633	33,012	421,651
Professional fees	6,097	5,419	23	95	555	12,189	670	1,201	14,060
Office expense and supplies	2,631	3,444	12	215	167	6,469	823	570	7,862
Telephone	1,695	1,848	30	77	163	3,813	282	332	4,427
Postage and shipping	1,527	1,420	1	9	207	3,164	114	338	3,616
Insurance	2,936	3,222	38	109	289	6,594	498	579	7,671
Printing and publications	722	1,083	17	34	77	1,933	121	147	2,201
Subscriptions and fees	1,742	2,099	11	72	162	4,086	450	373	4,909
Conferences, meetings and training	12,777	33,543	311	890	1,095	48,616	3,736	2,219	54,571
Public awareness	-	415	8,494	-	-	8,909	-	-	8,909
Payment to affiliate	2,311	2,304	18	24	233	4,890	246	464	5,600
Travel	358	1,266	38	17	347	2,026	-	-	2,026
Rent expense	20,268	22,199	290	810	1,979	45,546	3,438	3,970	52,954
Total expenses before depreciation and amortization	215,323	262,369	12,227	6,475	17,847	514,241	33,011	43,205	590,457
Depreciation and amortization	3,269	3,837	-	660	94	7,860	2,093	529	10,482
Total expenses	\$ 218,592	\$ 266,206	\$ 12,227	\$ 7,135	\$ 17,941	\$ 522,101	\$ 35,104	\$ 43,734	\$ 600,939

See accompanying notes



Brain Injury Alliance of Connecticut, Inc.  
 Statements of Cash Flows  
 Years Ended June 30, 2017 and 2016

	2017	2016
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 24,231	\$ (4,862)
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	9,459	10,482
Gain on sale of property and equipment	(100)	-
Changes in assets and liabilities:		
Contributions, grants and other receivables, net	(5,299)	(67)
Prepaid expenses	330	3,606
Accounts payable and accrued expenses	(45)	850
Accrued personnel expenses	2,137	(12,270)
Deferred revenue	(13,496)	6,793
Other current liabilities	-	(6,173)
Net cash provided (used) by operating activities	17,217	(1,641)
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of property and equipment	100	-
Purchase of property and equipment	-	(23,309)
Net cash provided (used) by investing activities	100	(23,309)
Net increase (decrease) in cash and cash equivalents	17,317	(24,950)
<b>Cash and cash equivalents - beginning of year</b>	<b>363,290</b>	<b>388,240</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 380,607</b>	<b>\$ 363,290</b>

*See accompanying notes*

# Brain Injury Alliance of Connecticut, Inc.

## Notes to Financial Statements

### **1. Description of Organization and Nature of Activities**

The Brain Injury Alliance of Connecticut, Inc. (the Organization) is an independent nonprofit organization dedicated to supporting individuals with brain injuries, their families, and caregivers while increasing awareness of brain injury and its prevention.

Founded in 1981 by the families of brain-injury survivors and the social services professionals assisting them, the Organization's original mission was to advocate for specific rehabilitative services and improved care. After incorporating in 1982, that mission was expanded to include prevention.

As a resource in recovery, advocates work to ensure that survivors and their families are connected to the appropriate services and professionals. The Organization also works to facilitate both independent living and meaningful inclusion at home, at school, and at work.

### **2. Liquidity**

The Organization's financial statements have been prepared assuming the Organization will continue as a going concern, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the normal course of business. On June 30, 2017, the Organization was notified by the State of Connecticut Department of Social Services (DSS), that its contract would be terminated July 1, 2017 because the State of Connecticut had not adopted a budget for the fiscal year ending June 30, 2018. For the years ending June 30, 2017 and 2016, the Organization received 55% and 50% of its revenue from the State.

The Organization believes its cash on hand and available under its line of credit agreement at June 30, 2017 (see Note 6), the funds it will receive during fiscal year 2018 from non-State sources, combined with its efforts to reduce costs will be sufficient to fund operations into fiscal year 2019.

### **3. Summary of Significant Accounting Policies**

#### **Basis of Accounting and Presentation**

The financial statements of the Organization are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP).

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### 3. Summary of Significant Accounting Policies (continued)

##### Basis of Accounting and Presentation (continued)

The Organization reports information regarding its financial position and activities, consistent with Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, according to the following three classes of net assets:

***Unrestricted net assets*** - Unrestricted net assets represent available resources other than temporarily or permanently restricted net assets.

***Temporarily restricted net assets*** - Temporarily restricted net assets represent net assets that are subject to donor-imposed stipulations that are met either by the passage of time or by actions of the Organization. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets at June 30, 2016, totaling \$8,724, were available for the Education and Outreach programs to schools in the Manchester, East Hartford, Vernon/Rockville, or Windham/Willimantic areas and for Special Events including the Annual Valentine's Dance. All assets that were restricted at June 30, 2016 were released from restrictions during 2017. There are no temporarily restricted net assets at June 30, 2017.

***Permanently restricted net assets*** - Permanently restricted net assets represent net assets that are subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There are no permanently restricted net assets at June 30, 2017 or 2016.

Revenues are reported as increases in unrestricted net assets, unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Donor-imposed contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support in the statements of activities.

##### 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 certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### **3. Summary of Significant Accounting Policies (continued)**

##### **Contributions and Grants Receivable**

Contributions and grants receivable represent unconditional promises to give. The Organization estimates any allowance for bad debts based upon an analysis of specific donors taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. As of June 30, 2017 and 2016, there was no allowance for doubtful accounts.

##### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at the approximate fair market value as of the date of donation, and are depreciated over the estimated useful lives of the assets. The Organization capitalizes expenditures for property and equipment in excess of \$2,000. Depreciation of property and equipment is calculated using the straight-line method over estimated useful life of five years, beginning on the date assets are placed in service.

##### **Capitalized Website Development Costs**

Costs related to the development of the Organization's website are capitalized or expensed in accordance with the ASC 350-50, *Website Development Costs*. When the website is ready for its intended use, the capitalized costs are amortized over their estimated useful lives. Amortization of capitalized website development costs that have been placed in service are computed using the straight-line balance method and a three year estimated useful life. At June 30, 2017 and 2016, there was \$9,990 in capitalized website development costs and \$9,990 and \$7,172 of accumulated amortization, respectively. The Organization recorded amortization expense related to capital website development costs of \$2,818, and \$3,330 for the year ended June 30, 2017 and 2016, respectively.

##### **Donated Assets and Materials**

Donated assets and materials are reported as unrestricted support revenue unless the donor has restricted the donated asset to a specific purpose. Assets and materials donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support revenue. The Organization did not receive any donated assets and materials for the years ended June 30, 2017 and 2016, respectively.

##### **Contributed Services**

The Organization recognizes contributed services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. There were no contributed services that were required to be recorded for the years ended June 30, 2017 and 2016, respectively.

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### **3. Summary of Significant Accounting Policies (continued)**

##### **Special Events Revenues**

The Organization holds various fundraising events during the year. The major fundraising events held include a golf tournament, walk-a-thon and bike-a-thon. Net special event revenue for the years ending June 30, 2017 and 2016 was \$126,895 and \$133,032, respectively.

##### **Government Grants**

Grants received from Federal, State and Local governments are generally considered to be exchange transactions in which the grantor requires the performance of specific activities.

Accordingly, grant revenue is recognized to the extent that the specific performance objectives have been achieved. Any amounts received, but not yet earned on unexpired grants, are reported as deferred revenue until such time as the related service is performed. Receivables are established to the extent that grant costs have been incurred and not reimbursed by the grantor. All grant revenue is for specific purposes and is subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant or noncompliance. Management believes no such request for reimbursement will occur.

##### **Deferred Revenue**

Deferred revenue is recorded when grant funds are received in advance of the eligible costs being incurred, or when funds for special events are received in advance of the special event taking place. The total deferred revenue at June 30, 2017 and 2016 was \$2,006 and \$15,502, respectively.

##### **Functional Allocation of 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 that benefited.

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### 3. Summary of Significant Accounting Policies (continued)

##### Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Organization. ASC 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The three levels of valuation hierarchy are defined as follows:

- Level 1 – Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

All cash equivalents held as of June 30, 2017 and 2016 are classified as Level 1 investments.

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### 3. Summary of Significant Accounting Policies (continued)

##### New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires a not-for-profit entity to 1) present two classes of net assets at the end of the period, rather than for the currently required three classes, 2) present the amount of the change in each of the two classes of net assets rather than that of the currently required three classes, 3) no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method, 4) provide various enhanced disclosures, 5) report investment return net of external and direct internal investment expenses and no longer require disclosure of those netted expenses and 6) use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application is permitted, and the amendments should be applied on a retrospective basis. The Organization is currently in the process of assessing the impact that the adoption of ASU 2016-14 will have on its financial statements.

#### 4. Property and Equipment

A summary of property and equipment as of June 30 is presented below:

	<b>2017</b>	<b>2016</b>
Office Equipment Asset	\$ 104,885	\$ 105,738
Less accumulated depreciation	(86,117)	(80,329)
Net property and equipment	<u>\$ 18,768</u>	<u>\$ 25,409</u>

Depreciation expense was \$6,641 and \$7,152 for the years ended June 30, 2017 and 2016, respectively.

## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### 5. Operating Lease

Effective June 21, 2010, the Organization entered into a sixty-three month noncancelable operating lease for office space. On March 24, 2015, the Organization amended the lease and extended it for another 60 months. Rent expense, which includes the Organization's pro-rate share of the building's property taxes and operating expenses, for the years ended June 30, 2017 and 2016 was \$50,294 and \$52,954, respectively. Future minimum lease payments under the lease for the years ending June 30, are as follows:

2018	\$ 51,454
2019	53,002
2020	54,549
2021	13,734

#### 6. Line of Credit

The Organization has a \$60,000 line of credit from the Greater Hartford Business Development Center, Inc., which expires on March 30, 2018. Interest is charged at the rate of 4% per annum. Loan advances are subject to certain terms and conditions as contained in the loan agreement. There was no outstanding balance as of June 30, 2017 and 2016.

#### 7. Income Taxes

The Organization has received an exemption from the Internal Revenue Service (IRS) from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

Management of the Organization evaluates all significant tax positions required by accounting principles generally accepted in the United States of America. At June 30, 2017 and 2016, management does not believe that it has taken any tax position that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of June 30, 2017 and 2016, the Organization's federal and state tax returns generally remain open for examination for three years from the date filed.



## Brain Injury Alliance of Connecticut, Inc.

### Notes to Financial Statements (continued)

#### **8. Concentrations**

##### **Credit Risk**

The Organization maintains its cash and cash equivalents in financial institution accounts that, at times during the year, may exceed federally insured limits. The interest bearing cash balances in the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, and non-interest bearing accounts have unlimited coverage. At June 30, 2017 and 2016, the cash balances held by the Organization did not exceed the FDIC limit.

##### **Sources of Revenue**

A substantial portion of the Organization's public support and other revenues is derived from contributions received from the State of Connecticut. The Organization received approximately 55% and 50% of its support from State of Connecticut Department of Social Services (DSS) for the years ended June 30, 2017 and 2016, respectively. The Organization also received approximately 20% and 22% of net support from special events for the years ended June 30, 2017 and 2016, respectively. Any significant reduction in the support received from these revenue streams could have a material adverse effect on the Organization.

On June 30, 2017, the Organization was notified by the State of Connecticut DSS that its contract with the State was terminated effective July 1, 2017, because the State has not adopted a budget for the fiscal year ending June 30, 2018 (see Note 2).

#### **9. Employee Benefit Plan**

The Organization maintains a defined contribution plan under IRS Code Section 403(B). The Organization makes matching contributions of up to 7.5% and 2.0% of an employee's salary deferral to the plan for the Executive Director and participating employees, respectively. Contributions of \$8,405 and \$6,045 were made by the Organization for the years ended June 30, 2017 and 2016, respectively, in addition to the elective deferrals made by employees.

#### **10. Subsequent Events**

The Organization has evaluated events occurring between June 30, 2017 and October 6, 2017 the date the financial statements were available to be issued.

**II. Reports in Accordance with *Government Auditing Standards*  
and the *State Single Audit Act***



EXPERIENCE THAT COUNTS.

**Independent Auditors' Report**  
**On Internal Control over Financial Reporting**  
**and on Compliance and Other Matters Based on an Audit**  
**of Financial Statements Performed in Accordance with**  
*Government Auditing Standards*

To the Board of Directors of  
Brain Injury Alliance of Connecticut, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brain Injury Alliance of Connecticut, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 6, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditors' Report  
On Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance with  
*Government Auditing Standards (continued)*

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
October 6, 2017



EXPERIENCE THAT COUNTS.

## Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

To the Board of Directors of  
Brain Injury Alliance of Connecticut, Inc.

### **Report on Compliance for Each Major State Program**

We have audited Brain Injury Alliance of Connecticut Inc.'s (the Organization) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Organization's major state program(s) for the year ended June 30, 2017. The Organization's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Organization's compliance.

Independent Auditors' Report on Compliance for  
Each Major State Program; Report on Internal Control over Compliance; and  
Report on the Schedule of Expenditures of State Financial Assistance  
Required by the State Single Audit Act (continued)

**Opinion on Each Major State Program**

In our opinion, the Organization, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

**Report on Internal Control over Compliance**

Management of the Organization, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Independent Auditors' Report on Compliance for  
Each Major State Program; Report on Internal Control over Compliance; and  
Report on the Schedule of Expenditures of State Financial Assistance  
Required by the State Single Audit Act (continued)

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act.**

We have audited the financial statements of Brain Injury Alliance of Connecticut, Inc., as of and for the year ended June 30, 2017 and have issued our report thereon dated October 6, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Fiondella, Milone & LaSaracina LLP*

Glastonbury, Connecticut  
October 6, 2017

Brain Injury Alliance of Connecticut, Inc.  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2017

State Grantor / Pass Through Grantor Program Title	State Grant Program Core - CT Number	Expenditures
<b>Department of Social Services:</b>		
Acquired Brain Injury	164BIA-TBI-27/12DSS2201BZ	\$ 310,803
Total State Financial Assistance		\$ 310,803

**Notes to Schedule**

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of the Brain Injury Alliance of Connecticut, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2017. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including Acquired Brain Injury.

**1. Summary of Significant Accounting Policies**

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**Basis of Accounting**

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.



Brain Injury Alliance of Connecticut, Inc.  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2017

**I. Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s opinion issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified?      Yes   X   None Reported
- Noncompliance material to financial statements noted?      Yes   X   No

*State Financial Assistance*

Internal control over major program:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified?      Yes   X   None Reported

Type of auditor’s opinion issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported  
 in accordance with Section 4-236-24 of the Regulations to  
 the State Single Audit Act?      Yes   X   No

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core – CT Number	Expenditures
<b>Department of Social Services:</b>		
Acquired Brain Injury	164BIA-TBI-27/12DSS2201BZ	\$310,803
Dollar threshold used to distinguish between type A and type B programs		\$100,000