

Audited Financial Statements

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

*Years ended June 30, 2020 and 2019
with Independent Auditors' Report*



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Brain Injury Alliance of Connecticut, Inc.

Years ended June 30, 2020 and 2019

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Independent Auditors' Report

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

We have audited the accompanying financial statements of Brain Injury Alliance of Connecticut, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, 2020 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.

Report on Summarized Comparative Information

We have previously audited Brain Injury Alliance of Connecticut, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
September 15, 2020

Brain Injury Alliance of Connecticut, Inc.
 Statements of Financial Position
 June 30, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 425,501	\$ 326,745
Contributions receivable	3,837	1,040
Prepaid expenses	14,922	10,271
Total current assets	444,260	338,056
Property and equipment, net	494	5,486
Security deposits	4,449	4,449
	4,943	9,935
Total assets	\$ 449,203	\$ 347,991
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 2,311	\$ 1,552
Accrued payroll and related expenses	24,428	20,361
Refundable advance	24,340	-
Deferred revenue	47,154	6,396
Total current liabilities	98,233	28,309
Total liabilities	98,233	28,309
Net assets		
Without donor restrictions	350,970	309,682
With donor restrictions	-	10,000
	350,970	319,682
Total liabilities and net assets	\$ 449,203	\$ 347,991

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2020

With Summarized Financial Information for the Year Ended June 30, 2019

	2020			Total 2019
	Without Donor Restrictions	With Donor Restrictions	Total 2020	
Public support and other revenues:				
Special events	\$ 126,276	\$ -	\$ 126,276	\$ 188,222
Less: direct costs	(4,487)	-	(4,487)	(39,603)
Total special events, net	121,789	-	121,789	148,619
Government grants	176,310	-	176,310	174,718
Contributions	100,122	-	100,122	28,942
Professional workshops	56,102	-	56,102	57,914
CARES Act- contribution	39,360	-	39,360	-
Memberships	8,910	-	8,910	14,180
United Way funding	6,978	-	6,978	10,817
Memorials	4,508	-	4,508	5,874
Foundation grants	4,500	-	4,500	26,950
Other	1,595	-	1,595	350
Net assets released from restriction	10,000	(10,000)	-	-
Total public support and other revenues	530,174	(10,000)	520,174	468,364
Expenses:				
Program services	442,108	-	442,108	389,058
Supporting services:				
Fundraising	16,486	-	16,486	26,658
Management and general	30,292	-	30,292	31,895
Total supporting services	46,778	-	46,778	58,553
Total expenses	488,886	-	488,886	447,611
Change in net assets	41,288	(10,000)	31,288	20,753
Net assets - beginning of year	309,682	10,000	319,682	298,929
Net assets - end of year	\$ 350,970	\$ -	\$ 350,970	\$ 319,682

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

	Brain Injury Navigator	Brain Injury Services	Community Education and Outreach	Legislative Advocacy	Social Events	Support Groups	Total Programs	Fundraising	Management and General	Total Expenses
Salaries	\$ 25,920	\$ 82,390	\$ 143,634	\$ -	\$ 190	\$ 707	\$ 252,841	\$ 8,310	\$ 16,715	\$ 277,866
Payroll taxes	3,441	8,496	14,475	-	20	87	26,519	989	2,058	29,566
Fringe benefits	1,212	13,008	17,809	-	-	199	32,228	1,818	2,985	37,031
CARES Act- payroll and benefits	3,672	11,671	20,346	-	27	100	35,815	1,177	2,368	39,360
Total payroll and related expenses	34,245	115,565	196,264	-	237	1,093	347,403	12,294	24,126	383,823
Rent expense	5,000	9,019	14,562	-	-	112	28,693	1,320	1,944	31,957
Professional fees	177	5,129	8,337	-	-	30	13,673	737	1,229	15,639
Office expense and supplies	1,255	2,691	6,144	-	-	22	10,112	486	676	11,274
Public awareness	852	67	167	9,000	-	-	10,086	15	21	10,122
Insurance	-	2,628	4,290	-	-	33	6,951	387	576	7,914
Conferences, meetings and training	-	-	5,910	-	-	-	5,910	12	-	5,922
Telephone	442	1,356	2,233	-	-	17	4,048	203	302	4,553
Subscriptions and fees	-	1,137	2,079	-	-	12	3,228	204	271	3,703
Payment to affiliate	-	1,114	1,649	-	-	17	2,780	195	225	3,200
Postage and shipping	-	760	1,171	-	1	18	1,950	108	127	2,185
Printing and publications	-	564	1,137	-	-	8	1,709	209	125	2,043
Travel	296	68	511	-	-	1	876	47	86	1,009
Total expenses before depreciation and	42,267	140,098	244,454	9,000	238	1,363	437,419	16,217	29,708	483,344
Depreciation and amortization	-	2,278	1,897	-	-	49	4,224	242	526	4,992
Bad Debt Expense	-	251	209	-	-	5	465	27	58	550
Total expenses	\$ 42,267	\$ 142,627	\$ 246,560	\$ 9,000	\$ 238	\$ 1,417	\$ 442,108	\$ 16,486	\$ 30,292	\$ 488,886

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

	Brain Injury Services	Community Education and Outreach	Legislative Advocacy	Social Events	Support Groups	Total Programs	Fundraising	Management and General	Total Expenses
Salaries	\$ 101,234	\$ 140,092	\$ 2,221	\$ 580	\$ 953	\$ 245,080	\$ 14,876	\$ 21,660	\$ 281,616
Payroll taxes	9,836	13,088	189	67	96	23,276	1,818	2,053	27,147
Fringe benefits	12,878	15,822	113	393	154	29,360	2,854	2,352	34,566
Total payroll and related expenses	123,948	169,002	2,523	1,040	1,203	297,716	19,548	26,065	343,329
Rent expense	10,217	12,972	156	294	114	23,753	2,329	2,000	28,082
Professional fees	5,661	6,310	27	247	64	12,309	1,332	1,054	14,695
Office expense and supplies	3,190	3,703	202	6	38	7,139	403	460	8,002
Public awareness	-	-	6,500	-	-	6,500	-	-	6,500
Insurance	2,866	3,572	43	88	30	6,599	650	546	7,795
Conferences, meetings and training	756	14,291	9	65	-	15,121	340	223	15,684
Telephone	1,506	1,868	22	45	16	3,457	341	286	4,084
Subscriptions and fees	1,740	2,373	39	72	17	4,241	438	345	5,024
Payment to affiliate	496	825	105	-	7	1,433	70	97	1,600
Postage and shipping	810	1,324	11	73	6	2,224	255	185	2,664
Printing and publications	1,053	1,161	-	18	13	2,245	242	176	2,663
Travel	23	502	-	64	-	589	220	39	848
Total expenses before depreciation and amortization	152,266	217,903	9,637	2,012	1,508	383,326	26,168	31,476	440,970
Depreciation and amortization	2,536	3,159	-	-	37	5,732	490	419	6,641
Total expenses	\$ 154,802	\$ 221,062	\$ 9,637	\$ 2,012	\$ 1,545	\$ 389,058	\$ 26,658	\$ 31,895	\$ 447,611

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 31,288	\$ 20,753
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	4,992	6,641
Changes in assets and liabilities:		
Contributions receivable	(2,797)	8,937
Prepaid expenses	(4,651)	(1,771)
Accounts payable	759	1,117
Accrued payroll and related expenses	4,067	7,003
Deferred revenue	40,758	5,782
Refundable advance	24,340	-
Net cash provided by operating activities	98,756	48,462
Net increase in cash	98,756	48,462
Cash - beginning of year	326,745	278,283
Cash - end of year	\$ 425,501	\$ 326,745

See accompanying notes

Brain Injury Alliance of Connecticut, Inc.
Notes to Financial Statements

June 30, 2020 and 2019

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, brain injury specialists 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. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. These funds are available for general operating purposes and/or to use at the discretion of the Board of Directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for general use by Management. There were no Board designated funds at June 30, 2020 and 2019.

With Donor Restrictions - Net assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provision of additional donor imposed stipulations or a board approved spending policy. At June 30, 2020, there were no donor restricted net assets. At June 30, 2019, there were \$10,000 of donor restricted net assets, which were restricted for the Organization's new program- Brain Injury Navigator (BIN) (see Note 2). BIN was launched during the 2020 fiscal year and the restricted funds were released from restriction as of June 30, 2020.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncement

Effective January 1, 2019, the Organization adopted Accounting Standards Updates (ASU) 2014-09, *Revenue from Contracts with Customers* using the modified retrospective method. The adoption of Topic 606 did not result in a change to accounting for any revenue streams; as such, no cumulative effect adjustment was recorded.

Effective January 1, 2019, the Organization also adopted ASU 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Made and Contributions Received*. The adoption of this ASU did not result in a material change to accounting for any revenue streams.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Contributions Receivable

Contributions 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, 2020 and 2019, 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. 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.

Deferred Revenue

Deferred revenue is recorded when grant and membership funds are received in advance of the eligible costs being incurred, or when conditional funds for special events are received in advance of the special event taking place.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Refundable Advance

The Organization received loan forgiveness funding from the Small Business Administration (SBA) under the Paycheck Protection Program (PPP) related to The Coronavirus Aid, Relief, and Economic Security (CARES) Act that was established to assist small businesses in keeping their employees on payroll during the COVID-19 outbreak in early 2020 (see note 4). In accordance with AICPA Technical Question and Answer Guidance Section 3200.18 Long Term Debt the PPP funding will be recognized following ASC 958-605 *Not-For-Profit Revenue Recognition*, and will record the contribution as the conditions are met.

Revenue Recognition

Special Events Revenues

The Organization holds various fundraising events during the year. The major fundraising events include Golf For Thought, Walk For Thought and Bike For Thought. The revenues and expenses related to the fundraising events are typically recognized when the event occurs. However, the fiscal year 2020 Golf For Thought event was postponed from May 2020 to July 2020 as a result of COVID-19. Management concluded that the sponsorship revenue and the revenues in excess of the costs to attend the golf event were not conditional upon the occurrence of the 2020 golf outing and as a result, the Organization recorded the contribution portion of the golf tournament proceeds in the year ending June 30, 2020. Net special event revenue for the years ending June 30, 2020 and 2019 was \$121,789 and \$148,619, respectively.

Government Grants

Grants received from Federal, State and Local governments 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.

Contributions, Memberships and Memorials

The Organization recognizes contributions, memberships and memorials on the date the individual gift or promise to give is made by the third party. Revenues are reported as increases in net assets without donor restrictions, unless the use of the related asset is limited by donor-imposed restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions in the statements of activities.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Professional Workshops

The Organization receives contributions for presenting professional workshops to companies and individuals. The contributions are recognized at the completion of each professional workshop presentation. In October 2019, the Organization launched a new fee-for-service program, Brain Injury Navigator which provides customized, in-depth and personal direction from an expert in brain injury.

Donated Assets and Materials

Donated assets and materials are reported as contribution revenue. 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 restricted contribution revenue. The Organization did not receive any donated assets or materials for the year ended June 30, 2020. The Organization received donated assets and materials of \$1,135 of the year ended June 30, 2019.

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, 2020 and 2019, 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.

3. Property and Equipment

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

	2020	2019
Office equipment	\$ 51,656	\$ 51,656
Less accumulated depreciation	(51,162)	(46,170)
Net property and equipment	<u>\$ 494</u>	<u>\$ 5,486</u>

Depreciation expense was \$4,992 and \$6,641 for the years ended June 30, 2020 and 2019, respectively.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

4. Refundable Advance

On May 13, 2020, the Company obtained PPP funding from the SBA in the amount of \$63,700. Funds may only be used to (a) retain workers and maintain payroll and/or (b) make mortgage interest payments, lease payments, and utility payments, and for no other purposes. The Organization intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act and maintain a certain number of employees. If these restrictions are not met within a 24 week period, the unspent funds become a loan which is payable two years from the date of issuance and bears an interest rate of 1%.

As of June 30, 2020, the Organization has recognized contributions of \$39,360 for expenses that management believes have met the required conditions. The remaining unspent funds that management believes have not yet met the set conditions of the PPP at June 30, 2020, are included as refundable advances on the statement of financial position.

5. 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, 2021. 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, 2020 and 2019.

6. Operating Lease

The Organization entered into a lease agreement to rent office space from an unrelated third party through June 2021. Effective November 6, 2019, the lease was amended to increase the amount of rentable square feet from 1,838 to 2,077 and to increase the base rent per year from \$29,408 to \$33,232 for year 2 and from \$30,327 to \$34,271 for year 3 of the lease. Rent expense, which includes the Organization's pro-rated share of the building's property taxes and operating expenses, for the years ended June 30, 2020 and 2019 was \$31,957 and \$28,082, respectively.

The future minimum lease payment under the lease for the year ending June 30, 2021 is \$34,271.

7. Employee Benefit Plan

The Organization maintains a defined contribution plan under IRS Code Section 403(B). The Organization makes matching contributions of up to 8.0% and 2.0% of an employee's salary deferral to the plan for the Executive Director and participating employees, respectively. Contributions of \$9,840 and \$8,878 were made by the Organization for the years ended June 30, 2020 and 2019, respectively, in addition to the elective deferrals made by employees.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

8. 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, 2020 and 2019, 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 tax returns are subject to examination by the appropriate taxing jurisdictions. The Organization is no longer subject to tax examinations for years prior to June 30, 2017.

9. Concentrations and Contingencies

Significant Event

In early March 2020, there was a global outbreak of the novel coronavirus (COVID-19) that has resulted in significant changes in the global economy. As a result, the Organization postponed certain fundraising events and held certain events virtually. The Organization received PPP loan proceeds pursuant to the CARES Act to help alleviate the adverse impact of COVID-19 (see Note 4). The ultimate financial impact that COVID-19 will have on the Organization cannot be reasonably estimated at this time.

Credit Risk

The Organization maintains its cash 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, 2020 and 2019, the cash balances held by the Organization did not exceed the FDIC limit.

Contingencies

The Organization has entered into a three-year agreement, terminating June 30, 2021 for certain professional services in the amount of \$9,500 per year.

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

9. Concentrations and Contingencies (continued)

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 34% and 37% of its support from State of Connecticut Department of Social Services (DSS) for the years ended June 30, 2020 and 2019, respectively. The Organization also received approximately 23% and 32% of net support from special events for the years ended June 30, 2020 and 2019, respectively. Any significant reduction in the support received from these revenue streams could have a material adverse effect on the Organization.

10. Information about Liquidity and Availability of Financial Assets

The operations and programs of the Organization are primarily funded through contributions, grants and special events. The revenues allow the Organization to provide mission-related services while maintaining a positive working capital position.

The Organization receives a significant portion of its funding from the State of Connecticut Department of Social Services (DSS). For the years ending June 30, 2020 and 2019, the Organization received 34% and 37% of its revenue from the State, respectively. A new DSS contract has been approved for the period of July 1, 2019 to June 30, 2022 for a total of \$528,552, and the amount designated for the year ending June 30, 2021 is \$194,184.

The Organization believes that the cash on hand and cash available under its line of credit agreement at June 30, 2020 (see Note 5), the funds it will receive during fiscal year 2021 from State and non-State sources, and the funds it expects to have forgiven under the PPP loan, combined with its efforts to reduce costs will be sufficient to fund operations into fiscal year 2022.

The following reflects the Organization's financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2020</u>
Financial assets:	
Cash	\$ 425,501
Contribution receivable	3,837
	<u>429,338</u>
Total financial assets available within one year	<u>\$ 429,338</u>

Brain Injury Alliance of Connecticut, Inc.

Notes to Financial Statements (continued)

Subsequent Events

The Organization has evaluated events occurring between June 30, 2020 and September 15, 2020 the date the financial statements were available to be issued.