

**BRAIN INJURY ASSOCIATION OF MISSOURI, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

## TABLE OF CONTENTS

	<u>Page</u>
Financial Statements:	
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

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To the Board of Trustees of  
Brain Injury Association of Missouri, Inc.  
Saint Louis, Missouri

We have audited the accompanying financial statements of Brain Injury Association of Missouri, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brain Injury Association of Missouri, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Goldman, Kottler, Unell, Pearlstein and Rechten, LLC  
Saint Louis, Missouri  
September 6, 2017

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS

Cash	\$	81,278
Investments		312,775
Grant Receivable		15,026
Prepaid Expenses		6,362
Security Deposit		<u>2,397</u>
Total Assets	\$	<u><u>417,838</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accrued expenses	\$	<u>1,417</u>
Total Liabilities		1,417
Net Assets		
Unrestricted	\$	<u>416,421</u>
Total Net Assets		<u>416,421</u>
Total Liabilities and Net Assets	\$	<u><u>417,838</u></u>

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

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

UNRESTRICTED NET ASSETS

Unrestricted Revenues and Gains	
Contributions	\$ 229,618
Direct campaign	43,509
Membership dues	12,176
Program service income	49,479
Interest and dividend income	9,658
Net unrealized gain on investments	8,301
Net realized gain on sale of investments	834
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Total Revenues and Gains	353,575
	<hr/>
Expenses	
Program services	283,288
Supporting services	
General and administrative	18,376
Fundraising	6,141
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Total Expenses	307,805
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Increase in Net Assets	45,770
Net Assets at Beginning of Year	370,651
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Net Assets at End of Year	<u>\$ 416,421</u>

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

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>	<u>General and Adminstrative</u>	<u>Fundraising</u>	<u>Total</u>
Advocacy Expense	\$ 3,277	\$ -	\$ -	\$ 3,277
Annual State Conference	36,574	-	-	36,574
Bank/Credit Card Fees	799	800	-	1,599
Camp Expense	40,086	-	-	40,086
Community Education	38,608	-	-	38,608
Database Software	1,033	1,033	-	2,066
Dues - National	6,080	-	-	6,080
Employee Benefits	2,151	94	94	2,339
Equipment Leases	1,406	-	-	1,406
Family Seminar Expenses	1,447	-	-	1,447
Insurance	3,973	-	-	3,973
Meeting and Travel	2,392	-	-	2,392
Membership Expenses	2,338	-	-	2,338
Miscellaneous	-	213	-	213
Office Supplies	510	156	156	822
Payroll Taxes	8,088	352	352	8,792
Postage/Shipping/Mailing	1,334	78	157	1,569
Printing and Duplication	3,472	204	408	4,084
Professional Fees	-	6,918	-	6,918
Rent	25,624	3,999	-	29,623
Repairs and Maintenance	190	-	-	190
Salaries	99,736	4,236	4,236	108,208
Special Event Expenses	-	-	592	592
Staff Development	1,681	-	-	1,681
Telephone	2,489	293	146	2,928
Total Expenses	<u>\$ 283,288</u>	<u>\$ 18,376</u>	<u>\$ 6,141</u>	<u>\$ 307,805</u>

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

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Change in Net Assets

Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	\$ 45,770
Unrealized gain on investments	(8,301)
Gain on sale of investments	(834)
Changes in Operating Assets and Liabilities:	
Increase in grant receivable	(15,026)
Decrease in prepaid expenses	372
Increase in accrued expenses	1,417
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Net Cash Provided by Operating Activities	23,398

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	82,053
Purchase of Investments	(91,681)
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Net Cash Used by Investing Activities	(9,628)
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Net Increase in Cash and Cash Equivalents	13,770
Cash and Cash Equivalents at Beginning of Year	67,508
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Cash and Cash Equivalents at End of Year	81,278
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Supplemental Disclosure:

Cash Paid for Interest	\$ -
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Cash Paid for Income Taxes	\$ -
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The accompanying notes are an integral part of these financial statements.

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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Note 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

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Nature of Activities:

The Association was incorporated in the State of Missouri on May 21, 1982, as a not-for-profit corporation. It operates pursuant to a charter agreement with the Brain Injury Association of America, Inc. If the Missouri Association ceases to exist, its assets are distributed based upon the decision of the Board of Directors of the Association. The Association was formed to reduce the incidence of brain injury; to promote acceptance, independence, productivity of persons with brain injury; and to support their families.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Financial Statement Presentation:

Brain Injury Association of Missouri Inc., has adopted FASB ASC 958-205, "Presentation of Financial Statements." Under ASC 958-205, Brain Injury Association of Missouri, Inc., is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Brain Injury Association of Missouri, Inc., has also adopted FASB ASC 958-605-25, "Contributions Received." In accordance with ASC 958-605-25, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.



BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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Note 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES(continued)

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Investments:

Brain Injury Association of Missouri Inc., has adopted FASB ASC 958-320 "Investments—Debt and Equity Securities." Under SDV 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Non-Cash Donations:

The Association records donations of securities, materials, facilities (and use thereof), and other non-monetary items at fair market value when received, provided the Association has a clearly measurable and objective basis for determining their value. If values are not reasonably determinable, the donations are not recorded.

Expense Allocation:

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes:

The Organization is exempt from federal and state income tax under Internal Revenue Service code 501(c)(3) as a not-for-profit organization.

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NOTE 2 - FAIR VALUE MEASUREMENTS

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FASB ASC 820 "Fair Value Measurements" establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 inputs to the valuation methodology include the following:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical or similar assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 - FAIR VALUE MEASUREMENTS (continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

- *General Money Market*. Valued at the net asset value of shares held by the plan at year-end.
- *Mutual funds*. Valued at the net asset value of shares held by the plan at year-end.
- *Equities*. Valued at the net asset value of shares held by the plan at year-end.
- *Corporate/Government Bonds*. Valued at the net asset value of shares held by the plan at year-end.
- *Unit Investment Trusts*. Valued at the net asset value of shares held by the plan at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy the plan's assets at fair value as of December 31, 2016.

	Fair Value as of December 31, 2016			
	Assets at Fair Value	(Level 1)	(Level 2)	(Level 3)
General Money Market	\$ 36,090	\$ 36,090	\$ -	\$ -
Equities	147,840	147,840	-	-
Preferreds	39,757	39,757	-	-
Corporate/Government Bonds	63,313	63,313	-	-
Mutual Funds	17,883	17,883	-	-
Unit Investment Trusts	7,892	7,892	-	-
Total	<u>\$312,775</u>	<u>\$312,775</u>	<u>\$ -</u>	<u>\$ -</u>

Gains and losses (realized and unrealized) included in changes in net assets for the preceding period are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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NOTE 2 - FAIR VALUE MEASUREMENTS (continued)

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For the year ended December 31, 2016, the Organization sold or redeemed investments for sale in the amount of \$82,053. The realized gain is included in support and revenue as a net gain of \$834. The basis of the securities sold was based on the cost of each investment held. Net unrealized gains on investments in the amount of \$8,301 for the year ended December 31, 2016 are included in Support and Revenue.

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Note 3 - DONATED SERVICES

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The Association receives donated services from a variety of unpaid volunteers assisting the Association to develop the Association's programs, principally in membership development, fund raising and other programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer efforts under FASB ASC 958-605-25-16 "Contributed Services" have not been satisfied.

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Note 4 - COMMITMENTS

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Subsequent to year end, the Association renewed a five-year lease for office space in Saint Louis, Missouri now expiring July 31, 2022. At the expiration of the renewed term of this lease, the Association has the right to extend the terms of this lease for an additional successive term of three years. The Association also leased office equipment under agreement that expired in 2016. The lease was not renewed.

At December 31, 2016, the minimum lease payments under the terms of all lease agreements were as follows:

<u>For the Years Ended December 31,</u>	<u>Amount</u>
2017	\$ 31,775
2018	35,222
2019	36,277
2020	37,370
2021	38,494
Thereafter	<u>22,837</u>
	<u>\$ 201,976</u>

The lease expense for office space for the year ended December 31, 2016, was \$29,623.

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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Note 5 - FAIR VALUES OF FINANCIAL INSTRUMENTS

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The estimated fair values of the Association's financial instruments, some of which are held for trading purposes, are as follows:

	December 31, 2016	
	Carry Amount	Fair Value
Financial Assets:		
Cash and Cash Equivalents	\$ 81,278	\$ 81,278
Investments	\$ 312,775	\$ 312,775

The carrying amounts in the preceding table are included in the statement of financial position under the applicable captions.

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Note 6 - OFF-STATEMENT OF FINANCIAL POSITION RISK AND CONCENTRATION OF CREDIT RISK

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Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash, cash equivalents and investments held in financial institutions. At times such instruments may be in excess of FDIC, SIPC and third party insured limits.

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Note 7 - SUBSEQUENT EVENTS

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The Association has evaluated subsequent events through September 6, 2017, the date which the financial statements were available for issue. As discussed in Note 4, the organization renewed their lease subsequent to year end.

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Note 8 - UNCERTAIN INCOME TAX POSITIONS

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The Financial Accounting Standards Board (FASB) has issued a financial reporting standard effective in 2011 that requires disclosure and possibly recognition of uncertain income tax positions in financial statements for all entities that report under U.S. generally accepted accounting principles, including tax-exempt organizations. For an exempt organization, an uncertain tax position might be one that potentially affects the organization's tax exempt status or that affects whether or not it is subject to unrelated business income tax on some of its revenue and the amount of such tax. Under current accounting standards, uncertain tax positions are required to be recorded and disclosed only if it is probable a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Brain Injury Association of Missouri, Inc. believes it has no uncertain tax positions that qualify for either recognition or disclosure in its financial statements under current standards or the new standard. The organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The organization believes it is no longer subject to income tax examinations for years prior to 2013.