

**Brain Injury Association of Missouri, Inc.**

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018

BRAIN INJURY ASSOCIATION OF MISSOURI, INC.

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	1 – 2
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES.....	4 – 5
STATEMENTS OF CASH FLOWS.....	6
STATEMENTS OF FUNCTIONAL EXPENSE.....	7 – 8
NOTES TO FINANCIAL STATEMENTS.....	9 – 14

# Linda A. Howdeshell, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Brain Injury Association of Missouri, Inc.  
St. Louis, MO 63146

### *Report on the Financial Statements*

I have audited the accompanying financial statements of Brain Injury Association of Missouri, Inc., (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019, and 2018, and the related statements of activities, cash flows, and functional expenses, 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*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Brain Injury Association of Missouri Inc, as of December 31, 2019, and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Linda B. Howardshell CPA*

St. Louis, Missouri

October 14, 2020

Brain Injury Association of Missouri, Inc.  
STATEMENTS OF FINANCIAL POSITION

ASSETS		December 31,	
		2019	2018
<b>CURRENT ASSETS</b>			
Cash	\$	87,608	\$ 111,096
Receivables		34,063	21,338
Prepaid expenses		7,392	7,423
Deposits		2,397	2,397
Total Current Assets		131,460	142,254
<b>PROPERTY AND EQUIPMENT</b>			
accumulated depreciation		(57,164)	(57,164)
Total Property and Equipment		-	-
<b>OTHER ASSETS</b>			
Investments		455,250	345,036
TOTAL ASSETS	\$	586,709	\$ 487,290
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$	5,400	\$ 2,180
<b>NET ASSETS</b>			
Funds without donor restrictions		556,309	470,110
Funds with donor restrictions		25,000	15,000
Total Net Assets		581,309	485,110
TOTAL LIABILITIES AND NET ASSETS	\$	586,709	\$ 487,290

See accompanying notes to financial statements

Brain Injury Association of Missouri, Inc.  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

	<u>Funds without</u>	<u>Funds with</u>	<u>Total</u>
	<u>donor restrictions</u>	<u>donor restrictions</u>	
<b>SUPPORT AND REVENUE</b>			
Support			
Contributions	\$ 226,656	\$ 25,000	\$ 251,656
Direct campaign	40,718	-	40,718
Membership dues	13,227	-	13,227
Revenue			
Program service income	60,382	-	60,382
Interest and dividend income	16,384	-	16,384
Net gain (loss) on investments	67,605	-	67,605
Net assets released from restrictions	15,000	(15,000)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>439,972</u>	<u>10,000</u>	<u>449,972</u>
 <b>EXPENSES</b>			
Program services	307,374	-	307,374
Supporting services			
Management and general	15,626	-	15,626
Fundraising	30,773	-	30,773
<b>TOTAL EXPENSES</b>	<u>353,773</u>	<u>-</u>	<u>353,773</u>
<b>CHANGE IN NET ASSETS</b>	<u>86,199</u>	<u>10,000</u>	<u>96,199</u>
NET ASSETS, Beginning of year	<u>470,110</u>	<u>15,000</u>	<u>485,110</u>
NET ASSETS, End of year	<u>\$ 556,309</u>	<u>\$ 25,000</u>	<u>\$ 581,309</u>

See accompanying notes to financial statements

Brain Injury Association of Missouri, Inc.  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

	Funds without donor restrictions	Funds with donor restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support			
Contributions	\$ 238,435	\$ 15,000	\$ 253,435
Direct campaign	37,800	-	37,800
Membership dues	12,388	-	12,388
Revenue			
Program service income	39,372	-	39,372
Interest and dividend income	11,502	-	11,502
Net gain (loss) on investments	(18,493)	-	(18,493)
Net assets released from restrictions	21,381	(21,381)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>342,386</b>	<b>(6,381)</b>	<b>336,005</b>
 <b>EXPENSES</b>			
Program services	267,657	-	267,657
Supporting service			
Management and general	35,322	-	35,322
Fundraising	26,782	-	26,782
<b>TOTAL EXPENSES</b>	<b>329,761</b>	<b>-</b>	<b>329,761</b>
<b>CHANGE IN NET ASSETS</b>	<b>12,624</b>	<b>(6,381)</b>	<b>6,243</b>
NET ASSETS, Beginning of year	457,486	21,381	478,867
NET ASSETS, End of year	\$ 470,110	\$ 15,000	\$ 485,110

See accompanying notes to financial statements  
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Brain Injury Association of Missouri, Inc.  
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 96,199	\$ 6,243
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Net change in investments	(89,655)	18,493
(Increase) decrease in assets:		
Receivables	(12,725)	(3,134)
Prepaid expenses	31	(876)
(Decrease) increase in liabilities:		
Accounts payable	3,220	1,349
	(2,930)	22,075
Net Change in Cash and Cash Equivalents from Operating Activities	(2,930)	22,075
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	41,027	72,909
Purchase of investments	(61,585)	(76,518)
	(20,558)	(3,609)
Net Change in Cash and Cash Equivalents from Investing Activities	(20,558)	(3,609)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(23,488)	18,466
<b>CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR</b>	111,096	92,631
<b>CASH AND CASH EQUIVALENTS -- END OF THE YEAR</b>	\$ 87,608	\$ 111,096
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

See accompanying notes to financial statements



Brain Injury Association of Missouri, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>			Total
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 113,279	\$ 5,557	\$ 10,748	\$ 16,305	\$ 129,584
Payroll taxes	9,131	422	817	1,239	10,370
Employee benefits	4,040	188	24	212	4,252
Total Payroll, taxes, and benefits	<u>126,450</u>	<u>6,167</u>	<u>11,589</u>	<u>17,756</u>	<u>144,206</u>
Rent	73,635	1,792	5,358	7,150	80,785
Food	28,831	10	557	567	29,398
Professional fees	6,600	5,574	175	5,749	12,349
Travel and meetings	10,845	336	230	566	11,411
Information technology	9,474	77	1,581	1,658	11,132
Postage	7,935	181	1,940	2,121	10,056
Printing	6,634	-	3,210	3,210	9,844
Advertising-program outreach	9,375	-	78	78	9,453
Affiliation	6,211	312	312	624	6,835
Supplies	3,289	163	3,373	3,536	6,825
Insurance	3,610	726	388	1,114	4,724
Scholarship	4,500	-	-	-	4,500
Fees	3,821	5	416	421	4,242
Telephone	3,484	280	418	698	4,182
Miscellaneous	2,060	3	8	11	2,071
Dues and subscriptions	620	-	1,140	1,140	1,760
Total Expenses	<u>\$ 307,374</u>	<u>\$ 15,626</u>	<u>\$ 30,773</u>	<u>\$ 46,399</u>	<u>\$ 353,773</u>

See accompanying notes to financial statements

Brain Injury Association of Missouri, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Supporting Services</u>			Total
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 98,742	\$ 9,874	\$ 13,577	\$ 23,451	\$ 122,193
Payroll taxes	7,809	781	1,074	1,855	9,664
Employee benefits	3,001	300	413	713	3,714
Total Payroll, taxes, and benefits	<u>109,552</u>	<u>10,955</u>	<u>15,064</u>	<u>26,019</u>	<u>135,571</u>
Rent	53,130	5,291	5,782	11,073	64,203
Food	29,983	-	192	192	30,175
Professional fees	496	5,250	-	5,250	5,746
Travel and meetings	13,937	1,236	-	1,236	15,173
Information technology	6,431	160	1,537	1,697	8,128
Postage	6,858	861	631	1,492	8,350
Printing	7,016	352	642	994	8,010
Advertising-program outreach	11,060	-	-	-	11,060
Affiliation	7,226	-	-	-	7,226
Supplies	5,183	95	863	958	6,141
Insurance	3,740	374	514	888	4,628
Scholarship	4,420	-	-	-	4,420
Fees	2,333	8,069	321	8,390	10,723
Telephone	2,544	586	379	965	3,509
Miscellaneous	3,719	1,768	857	2,625	6,344
Dues and subscriptions	<u>29</u>	<u>325</u>	<u>-</u>	<u>325</u>	<u>354</u>
Total Expenses	<u><u>\$ 267,657</u></u>	<u><u>\$ 35,322</u></u>	<u><u>\$ 26,782</u></u>	<u><u>\$ 62,104</u></u>	<u><u>\$ 329,761</u></u>

See accompanying notes to financial statements

Brain Injury Association of Missouri, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Brain Injury Association of Missouri, Inc. (the “Association”) is a non-profit organization incorporated in the State of Missouri on May 21, 1982. 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.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, prepaids, and payables.

Basis of Presentation

The Association presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, “*Financial Statements of Not-for Profit Organizations*.” Under ASC 958-205, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers cash on hand, cash in banks, money market funds, certificates of deposit, time deposits, and U.S. government and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents. Investments includes \$39,481, and \$17,430, of cash equivalents at December 31, 2019, and 2018, respectively.

Brain Injury Association of Missouri, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

All capital expenditures are recorded at cost, if purchased, or; if donated, at the fair value as of the date received. The provision for depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Capitalized assets are composed of furniture and equipment and are fully depreciated.

Gifts-in-Kind Contributions

If the Association receives a contribution of securities, facilities, supplies, or other non-monetary items, the contributed asset is recognized at its estimated fair value at the date of gift. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Association benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Such services are assigned a value based on rates commensurate with the type of services performed.

Revenue Recognition

The Association recognizes contributions as funds without donor restrictions and funds with donor restrictions, depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in funds with donor restrictions net assets depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Association uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The Association considers grants and accounts receivable at December 31, 2019, and 2018, to be fully collectible.

Brain Injury Association of Missouri, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Association has adopted FASB ASC 320 “Investments – Debt and Equity Securities.” Under ASC 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.

Expense Allocation

Expenses are charged to program services and supporting activities on the basis of period time and expense studies unless directly identifiable with any specific function.

Income Taxes

The Association is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. No provision for income taxes has been made. The Association has no uncertain tax positions that would result in material unrecognized tax expense or benefits.

NOTE B – FAIR VALUE MEASUREMENTS

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. Inputs to the three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 Quoted prices for identical assets or liabilities in active markets, ie exchange traded equity securities.
- Level 2 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, ie US Treasury securities and corporate bonds.
- Level 3 Unobservable inputs and are significant to the fair value measurement.

Brain Injury Association of Missouri, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019 and 2018

NOTE C – FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level within the fair value hierarchy the plan’s assets at fair value as of December 31, 2019.

	Assets at Fair Value	(Level 1)	(Level 2)	(Level 3)
Money Market	\$ 39,481	\$ 39,481	\$ -	\$ -
Equities	231,657	231,657	-	-
Preferreds	89,876	89,876	-	-
Fixed Income	69,367	69,367	-	-
Mutual Funds	20,061	20,061	-	-
Unit Investment Trusts	4,809	4,809	-	-
Total investments at fair value	<u>\$ 455,251</u>	<u>\$ 455,251</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level within the fair value hierarchy the plan’s assets at fair value as of December 31, 2018.

	Assets at Fair Value	(Level 1)	(Level 2)	(Level 3)
Money Market	\$ 17,430	\$ 17,430	\$ -	\$ -
Equities	185,469	185,469	-	-
Preferreds	75,304	75,304	-	-
Fixed Income	43,700	43,700	-	-
Mutual Funds	15,489	15,489	-	-
Unit Investment Trusts	7,644	7,644	-	-
Total investments at fair value	<u>\$ 345,036</u>	<u>\$ 345,036</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE C – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 14, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Brain Injury Association of Missouri, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE D – LEASE AGREEMENTS

January 2017, 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. At December 31, 2019, 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>
2020	\$ 37,370
2021	38,493
2022	<u>22,834</u>
	<u>\$ 98,697</u>

The lease expense for office space for the years ended December 31, 2019, and 2018, was \$36,277, and \$35,135, respectively.

In January 2018, the Association entered into a lease agreement for a copy machine. Effective February 2018, for a term a 60 months, the Association will make monthly payments of \$271. At December 31, 2019, the future minimum lease payments under the terms of all lease agreements are as follows:

<u>For the Years Ended December 31,</u>	<u>Amount</u>
2020	\$ 3,254
2021	3,254
2022	3,254
2023	<u>242</u>
	<u>\$ 10,004</u>

Brain Injury Association of Missouri, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE E –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Purpose restriction		
2020 Camp	\$ 25,000	\$ -
2019 Camp	<u>-</u>	<u>15,000</u>
Total net assets with donor restrictions	<u>\$ 25,000</u>	<u>\$ 15,000</u>

NOTE F – RESERVE

The Association is supported by a government grant, as well as, other grants, contributions, and program revenue. The Association maintains a reserve to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Association has a reserve of at least three months cash on hand.