

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

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HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brain Injury Association of Virginia, Inc.
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Brain Injury Association of Virginia, Inc. (the "Association") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, 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

The Association's 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. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brain Injury Association of Virginia, Inc. as of June 30, 2016 and 2015, and the 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.

Harris, Hardy ; Johnstone, P.C.

Richmond, Virginia
February 14, 2017

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 269,502	\$ 268,017
Grant receivables	-	11,591
Pledge receivables	-	15,000
Other receivables	12,685	8,867
Prepaid expenses	11,352	13,592
TOTAL CURRENT ASSETS	<u>293,539</u>	<u>317,067</u>
PROPERTY AND EQUIPMENT		
Office furniture	11,960	11,960
Office equipment	51,444	47,634
Leasehold improvements	7,061	7,061
	<u>70,465</u>	<u>66,655</u>
Less: Accumulated depreciation	58,368	54,392
NET PROPERTY AND EQUIPMENT	<u>12,097</u>	<u>12,263</u>
OTHER ASSETS		
Deposits	2,060	2,060
	<u>\$ 307,696</u>	<u>\$ 331,390</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 5,225	\$ 4,050
Accrued expenses	4,899	4,106
Grant advances	30,323	23,080
Deferred revenue	16,616	16,427
TOTAL CURRENT LIABILITIES	<u>57,063</u>	<u>47,663</u>
NET ASSETS		
Unrestricted	250,633	283,727
	<u>\$ 307,696</u>	<u>\$ 331,390</u>

See Notes to Financial Statements

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUE AND SUPPORT		
Grant income	\$ 518,194	\$ 421,841
Special events	63,432	52,748
Camp fees	44,433	40,427
Camp Bruce McCoy donations	33,522	35,577
Public donations	32,802	34,639
Other	23,258	18,538
Conference	20,375	37,471
Membership	9,468	10,890
United Way	4,667	10,098
Dividend and interest	138	143
	<u>750,289</u>	<u>662,372</u>
TOTAL REVENUE AND SUPPORT		
EXPENSES		
Program services	666,263	600,737
Support services		
Management and general	48,881	24,610
Fundraising	68,239	63,745
	<u>783,383</u>	<u>689,092</u>
TOTAL EXPENSES		
DECREASE IN NET ASSETS	(33,094)	(26,720)
Net assets, beginning of year	<u>283,727</u>	<u>310,447</u>
NET ASSETS, END OF YEAR	<u>\$ 250,633</u>	<u>\$ 283,727</u>

See Notes to Financial Statements

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services				Support Services			Total
	Constituent Services	BIRN	Camp Bruce McCoy	FACES	Total Program Services	Management and General	Fundraising	
Salaries	\$ 37,991	\$ 182,468	\$ -	\$ 107,014	\$ 327,473	\$ 29,444	\$ 37,651	\$ 394,568
Camp Bruce McCoy	-	-	89,569	-	89,569	-	9	89,578
Public relations/marketing	1,365	33,887	-	10,652	45,904	-	-	45,904
Professional fees	6,242	34,571	-	845	41,658	574	507	42,739
Insurance	4,831	20,897	-	9,292	35,020	1,833	2,096	38,949
Taxes - payroll	3,228	15,231	1,462	8,968	28,889	2,370	3,130	34,389
Office rental	3,212	15,239	-	9,237	27,688	1,096	1,096	29,880
Fundraising	-	-	-	-	-	-	19,620	19,620
Telecommunications	607	6,507	20	2,145	9,279	614	621	10,514
Bad debts	-	-	-	-	-	10,000	-	10,000
Postage and delivery	179	5,795	40	1,776	7,790	667	1,332	9,789
National dues	-	8,030	-	-	8,030	-	-	8,030
Conference	5,558	697	-	670	6,925	-	-	6,925
Printing and reproduction	2	5,582	-	1,311	6,895	2	1	6,898
Equipment leases/maintenance	667	3,369	-	1,307	5,343	721	659	6,723
Travel	625	4,099	-	907	5,631	114	393	6,138
Office supplies	280	3,888	-	360	4,528	148	131	4,807
Education and staff development	-	4,165	-	450	4,615	-	30	4,645
Depreciation	3,976	-	-	-	3,976	-	-	3,976
Training	3,500	-	-	-	3,500	-	-	3,500
Dues and subscriptions	75	2,505	-	-	2,580	50	-	2,630
Bank service charges	422	26	94	14	556	1,023	911	2,490
Meals and entertainment	136	162	-	91	389	225	52	666
Licenses and permits	-	25	-	-	25	-	-	25
	<u>\$ 72,896</u>	<u>\$ 347,143</u>	<u>\$ 91,185</u>	<u>\$ 155,039</u>	<u>\$ 666,263</u>	<u>\$ 48,881</u>	<u>\$ 68,239</u>	<u>\$ 783,383</u>

See Notes to Financial Statements

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	Program Services				Support Services			Total
	Constituent Services	BIRN	Camp Bruce McCoy	FACES	Total Program Services	Management and General	Fundraising	
Salaries	\$ 48,049	\$ 165,321	\$ 3,360	\$ 89,992	\$ 306,722	\$ 20,469	\$ 36,057	\$ 363,248
Camp Bruce McCoy	-	1,159	82,076	-	83,235	(25)	-	83,210
Insurance	4,474	17,111	11	12,024	33,620	225	3,371	37,216
Taxes - payroll	4,086	14,117	1,662	7,661	27,526	1,771	3,041	32,338
Conference	14,865	7,629	-	7,587	30,081	-	-	30,081
Office rental	2,626	13,307	-	7,633	23,566	899	898	25,363
Equipment leases/maintenance	287	15,862	-	4,814	20,963	118	15	21,096
Fundraising	-	190	-	-	190	-	18,964	19,154
Professional fees	10,067	6,009	-	2,048	18,124	315	315	18,754
National dues	-	12,637	-	-	12,637	-	-	12,637
Telecommunications	1,637	2,512	-	3,244	7,393	259	328	7,980
Public relations/marketing	1,147	2,541	-	3,733	7,421	-	22	7,443
Printing and reproduction	1,955	4,433	-	408	6,796	-	29	6,825
Postage and delivery	680	2,940	4	1,091	4,715	12	174	4,901
Depreciation	4,769	-	-	-	4,769	-	-	4,769
Education and staff development	3,035	405	-	1,125	4,565	-	-	4,565
Travel	542	371	-	2,380	3,293	-	-	3,293
Training	2,005	-	-	-	2,005	-	-	2,005
Office supplies	228	578	-	534	1,340	20	36	1,396
Bank service charges	337	67	-	-	404	343	495	1,242
Dues and subscriptions	304	-	-	250	554	76	-	630
Miscellaneous	272	-	-	-	272	90	-	362
Meals and entertainment	274	22	-	-	296	-	-	296
Licenses and permits	50	200	-	-	250	25	-	275
Loss on disposal of assets	-	-	-	-	-	13	-	13
	<u>\$ 101,689</u>	<u>\$ 267,411</u>	<u>\$ 87,113</u>	<u>\$ 144,524</u>	<u>\$ 600,737</u>	<u>\$ 24,610</u>	<u>\$ 63,745</u>	<u>\$ 689,092</u>

See Notes to Financial Statements

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (33,094)	\$ (26,720)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities		
Depreciation	3,976	4,769
Purchase of investments	-	(2,683)
Proceeds from sale of investments	-	2,670
Loss on disposal of assets	-	13
(Increase) decrease in		
Grant receivables	11,591	(5,571)
Pledge receivables	15,000	(10,000)
Other receivables	(3,818)	9,472
Prepaid expenses	2,240	(1,859)
Increase (decrease) in		
Accounts payable	1,175	2,351
Accrued expenses	793	(264)
Grant advances	7,243	23,080
Deferred revenue	189	(2,905)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>5,295</u>	<u>(7,647)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>(3,810)</u>	<u>(1,950)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,810)</u>	<u>(1,950)</u>
INCREASE (DECREASE) IN CASH	1,485	(9,597)
Cash, beginning of year	<u>268,017</u>	<u>277,614</u>
CASH, END OF YEAR	<u>\$ 269,502</u>	<u>\$ 268,017</u>

See Notes to Financial Statements

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Brain Injury Association of Virginia, Inc. (“BIAV” or the “Association”) was incorporated in January 1983 as a non-profit, independent corporation dedicated to serving the needs of head-injured persons, their families, friends, and the community.

Summary of Significant Accounting Policies

Basis of Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) ASC 958-205. Under FASB ASC 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets - Net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets resulting from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Association pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes. The Association had no temporarily restricted net assets as of June 30, 2016 and 2015.

Permanently Restricted Net Assets - Net assets resulting from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Association’s actions. The Association had no permanently restricted net assets as of June 30, 2016 and 2015.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Income Taxes

The Association is exempt from federal income taxes as defined under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Association’s tax-exempt purpose could be subject to taxation as unrelated business income. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2016 AND 2015

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Association and various positions related to the potential sources of unrelated business taxable income (UBTI). The Association has recognized no uncertain tax positions for the year ended June 30, 2016. The Association believes its tax returns are no longer subject to examination for years prior to 2013.

Cash

BIAV considers all highly liquid instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Property and Equipment

Purchases of property and equipment are recorded at cost. Depreciation and amortization of property and equipment are computed using the straight-line method over the following useful lives:

Office furniture	5 - 10 years
Office equipment	3 - 7 years
Leasehold improvements	15 years

Revenue Recognition

Revenue and support are derived primarily from grants, contracts, special fundraising events and donations. The services provided by BIAV are classified into four primary activity centers: (1) education, (2) outreach and support, (3) public awareness, and (4) advocacy. Some specific programs and activities included in these centers are consumer/professional trainings and conferences, resource coordination, support group technical assistance, registry mailings and information/referral, and Camp Bruce McCoy.

Contributions and Grants

Contributions and grants are recognized when the donor makes a promise to give to BIAV that is, in substance, unconditional. All other donor-restricted contributions and grants are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted in the accompanying statements of activities. The grants received by the Association are reimbursements for qualified expenses and, thus, are recorded as an addition to unrestricted net assets.

BIAV uses the reserve method of accounting for bad debts for purposes of financial reporting. Uncollectible receivables, contributions and grants are expected to be insignificant due to the nature of the grantors; therefore, no allowance for bad debts is required.

BRAIN INJURY ASSOCIATION OF VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2016 AND 2015

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In-Kind Contributions

In-kind contributions of \$32,942 and \$38,576 for the years ended June 30, 2016 and 2015, respectively, represent the estimated fair market value of goods and services contributed to the Association for which a clearly measurable and objective basis of valuation exists. A substantial number of volunteers have made significant contributions of their time in the furtherance of the Association's programs. The value of this contributed time is not reflected in the accompanying statements, since it is not susceptible to objective measurement or valuation.

Costs of Providing Various Programs and Other Activities

Costs of providing various programs and other activities are summarized on a functional basis in the accompanying statements of activities and the statements of functional expenses. Program services are activities designed to fulfill the Association's stated mission. Management and general services are activities relating to management of the Association, including general oversight, management, and recordkeeping. Fundraising activities include the cost to maintain donor lists and the cost of special events and fundraising campaigns. Accordingly, certain costs are allocated among the programs and supporting services benefited.

NOTE B - OPERATING LEASES

The Association has two operating leases, one for its office facilities (expires April 2020) and one for office equipment (expires June 2019), with a total expense of \$32,498 and \$27,835 for the years ended June 30, 2016 and 2015, respectively. Total minimum rental commitments based on leases in effect are as follows:

2017	\$ 33,072
2018	33,888
2019	32,728
2020	33,192
	<u>\$ 132,880</u>

NOTE C - CONCENTRATIONS

BIAV maintains its cash balances in two accounts with one financial institution. The balance in these accounts is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time the Association has on deposit amounts in excess of federally insured limits.

Two separate grants accounted for 69% and 63% of total revenues and support during the years ended June 30, 2016 and 2015, respectively.

NOTE D - SUBSEQUENT EVENTS

In the preparation of its financial statements, Brain Injury Association of Virginia, Inc. considered subsequent events through February 14, 2017, which was the date the financial statements were available to be issued.