

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

**Financial Statements**

**Years Ended June 30, 2021 and 2020**

DRAFT # 2 10.19.21

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## **Independent Auditor's Report**

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

We have audited the accompanying 2021 financial statements of Brain Injury Association of Virginia, Inc. (a nonprofit organization, hereafter the "Association"), which are comprised of the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements (collectively hereafter the "financial statements").

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

Management of the Association is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); 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 the 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 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 Association'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 Association'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.

(continued)

**Independent Auditor's Report – continued**

**2020 Financial Statements**

The Association's financial statements as of and for the year ended June 30, 2020 were audited by another firm and their opinion in their independent auditor's report thereon dated October 1, 2020, stated those financial statements were in accordance with U.S. GAAP.

**Opinion**

In our opinion, the 2021 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, 2021, and the results of its activities and changes in its net assets and its cash flows for the fiscal year then ended in accordance with U.S. GAAP.

Glen Allen, Virginia  
November 15, 2021

DRAFT # 2 10.19.21

Brain Injury Association of Virginia, Inc.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 597,847	\$ 519,196
Accounts receivable	28,273	22,400
Prepaid expenses	39,844	41,931
Total current assets	<u>665,964</u>	<u>583,527</u>
Property and equipment, net (Note 5)	6,350	9,512
Other assets	4,000	10,060
<b>Total assets</b>	<u><u>\$ 676,314</u></u>	<u><u>\$ 603,099</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities (all current)		
Accounts payable	\$ 18,725	\$ 5,046
Accrued expenses	18,806	18,969
Grant advances	9,660	24,427
Deferred revenues	24,135	18,505
<b>Total liabilities</b>	<u>71,326</u>	<u>66,947</u>
Net Assets		
Net assets without donor restrictions	<u>604,988</u>	<u>536,152</u>
<b>Total net assets</b>	<u>604,988</u>	<u>536,152</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 676,314</u></u>	<u><u>\$ 603,099</u></u>

See accompanying notes to financial statements.

Brain Injury Association of Virginia, Inc.

Statement of Activities

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions			
Individuals, companies and foundations	\$ 63,710	\$ -	\$ 63,710
In-kind	13,037	-	13,037
Grants	690,865	-	690,865
Sponsorships	59,122	-	59,122
Special Events, net	26,901	-	26,901
Membership dues	19,697	-	19,697
Program fees	14,115	-	14,115
Other income	291	-	291
<b>Total revenues</b>	<u>887,738</u>	<u>-</u>	<u>887,738</u>
<b>Expenses</b>			
Program services	749,270	-	749,270
Management and general	47,150	-	47,150
Fundraising	22,482	-	22,482
<b>Total expenses</b>	<u>818,902</u>	<u>-</u>	<u>818,902</u>
<b>Change in net assets</b>	68,836	-	68,836
Net assets, beginning of year	536,152	-	536,152
<b>Net assets, end of year</b>	<u>\$ 604,988</u>	<u>\$ -</u>	<u>\$ 604,988</u>

See accompanying notes to financial statements.

Brain Injury Association of Virginia, Inc.

Statement of Activities

Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions			
Individuals, companies and foundations	\$ 89,796	\$ -	\$ 89,796
In-kind	8,754	-	8,754
Grants	593,418	-	593,418
Sponsorships	35,056	-	35,056
Special Events, net	405	-	405
Membership dues	15,092	-	15,092
Program fees	12,153	-	12,153
Other income, net (Note 10)	98,744	-	98,744
Net assets released from restrictions	10,000	(10,000)	-
<b>Total revenues</b>	<u>863,418</u>	<u>(10,000)</u>	<u>853,418</u>
<b>Expenses</b>			
Program services	676,098	-	676,098
Management and general	30,038	-	30,038
Fundraising	43,474	-	43,474
<b>Total expenses</b>	<u>749,610</u>	<u>-</u>	<u>749,610</u>
<b>Change in net assets</b>	113,808	(10,000)	103,808
Net assets, beginning of year	422,344	10,000	432,344
<b>Net assets, end of year</b>	<u>\$ 536,152</u>	<u>\$ -</u>	<u>\$ 536,152</u>

See accompanying notes to financial statements.

Brain Injury Association of Virginia, Inc.

Statement of Functional Expenses

Year ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 422,915	\$ 20,017	\$ 14,513	\$ 457,445
Payroll taxes	33,287	(100)	1,116	34,303
Employee benefits	31,626	8,960	1,740	42,326
<b>Total compensation</b>	<b>487,828</b>	<b>28,877</b>	<b>17,369</b>	<b>534,074</b>
Bank service charges	-	2,969	(100)	2,869
Depreciation	-	3,162	-	3,162
Dues and subscriptions	15,415	-	-	15,415
Equipment leases and maintenance	7,491	-	-	7,491
Fundraising	-	-	1,972	1,972
Insurance	14,193	-	150	14,343
Licenses and permits	200	-	200	400
Meals and entertainment	1,093	278	-	1,371
Office rental	38,347	10,013	-	48,360
Other	100	506	225	831
Postage and delivery	5,792	39	959	6,790
Printing and reproduction	623	-	120	743
Professional fees	130,904	440	138	131,482
Public relations and marketing	11,356	-	89	11,445
Scholarships and stipends	1,067	-	-	1,067
Site rentals	14,148	-	6,250	20,398
Staff development and training	1,917	106	-	2,023
Supplies	3,476	747	1,360	5,583
Telecommunications	14,737	-	-	14,737
Travel	583	13	-	596
<b>Total expenses</b>	<b>749,270</b>	<b>47,150</b>	<b>28,732</b>	<b>825,152</b>
Direct benefit to donors	-	-	(6,250)	(6,250)
	<u>\$ 749,270</u>	<u>\$ 47,150</u>	<u>\$ 22,482</u>	<u>\$ 818,902</u>

See accompanying notes to financial statements.



Brain Injury Association of Virginia, Inc.

Statement of Functional Expenses

Year ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 396,924	\$ 16,428	\$ 30,204	\$ 443,556
Payroll taxes	31,212	1,253	2,386	34,851
Employee benefits	35,161	7,419	2,386	44,966
<b>Total compensation</b>	<b>463,297</b>	<b>25,100</b>	<b>34,976</b>	<b>523,373</b>
Bank service charges	156	1,306	668	2,130
Conference	2,916	-	-	2,916
Depreciation	3,295	-	-	3,295
Dues and subscriptions	14,733	-	-	14,733
Equipment leases and maintenance	10,052	631	-	10,683
Fundraising	-	-	5,450	5,450
Insurance	7,753	-	182	7,935
Licenses and permits	125	-	-	125
Meals and entertainment	168	319	-	487
Office rental	36,900	-	-	36,900
Other	850	311	425	1,586
Postage and delivery	7,172	15	503	7,690
Printing and reproduction	4,415	-	738	5,153
Professional fees	73,145	580	-	73,725
Public relations and marketing	5,556	55	2	5,613
Scholarships and stipends	3,451	-	-	3,451
Site rentals	14,847	-	9,720	24,567
Staff development and training	2,728	293	30	3,051
Supplies	7,278	367	500	8,145
Telecommunications	11,165	300	-	11,465
Travel	6,096	761	-	6,857
<b>Total expenses</b>	<b>676,098</b>	<b>30,038</b>	<b>53,194</b>	<b>759,330</b>
Direct benefit to donors	-	-	(9,720)	(9,720)
	<u>\$ 676,098</u>	<u>\$ 30,038</u>	<u>\$ 43,474</u>	<u>\$ 749,610</u>

See accompanying notes to financial statements.

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

**Statements of Cash Flows**

**Years ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 68,836	\$ 103,808
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,162	3,295
Funds from Paycheck Protection Program (Note 11)	-	(100,228)
Loss on disposal of assets	-	1,709
(Increase) decrease in:		
Grants receivable	-	13,219
Accounts receivable	(5,873)	7,288
Prepaid expenses	2,087	(33,612)
Other assets	6,060	(8,000)
Increase (decrease) in:		
Accounts payable	13,679	(42,708)
Accrued expenses	(163)	882
Grant advances	(14,767)	24,427
Deferred revenues	5,630	4,168
<b>Net cash provided by (used in) operating activities</b>	<u>78,651</u>	<u>(25,752)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	-	(2,090)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(2,090)</u>
<b>Cash Flows From Financing Activities</b>		
Funds from Paycheck Protection Program (Note 11)	-	100,228
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>100,228</u>
<b>Increase in cash and cash equivalents</b>	78,651	72,386
Cash and cash equivalents, beginning of year	<u>519,196</u>	<u>446,810</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 597,847</u>	<u>\$ 519,196</u>

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 1—Organization and Summary of Significant Accounting Policies**

Organization. Brain Injury Association of Virginia, Inc. (“BIAV” or the “Association”) serves Virginians with brain injury, their families, and those who care for and about them. The Association’s mission is to advance education, awareness, support, treatment and research to improve the quality of life for all people affected by brain injury.

Governance. The Association’s Bylaws stipulate that all organizational powers and business affairs shall be exercised by or under the authority of a Board of Directors to be comprised of a maximum of twenty members of the Association. Board members serve a term of three years with a maximum length of membership of six years unless the member is elected as an officer. All directors serve without compensation.

For the years ended June 30, 2021 and 2020, the Association was the grateful recipient of financial contributions from 100% of its Board of Directors.

Program Descriptions. The Association has four distinct programs, as follows:

*Constituent Services.* The purpose is to reach out to newly injured Virginians and offer personalized assistance to facilitate introductions with appropriate resources and providers. The Association hosts an in-person support group in Richmond, Virginia and two virtual statewide support groups, one designed exclusively for family caregivers. Additionally, the Association provides technical assistance and support to other group leaders across the state. The Association also hosts numerous educational opportunities throughout the year and constantly advocates for more services and support to those Virginians with brain injury.

*Brain Injury Resource Network (“BIRN”).* The purpose is to develop partnerships, enhance access to quality services, provide support, serve as an entry point into appropriate systems of care, and provide statewide resource coordination services for those with or caring for someone with brain injury through education, outreach, public awareness and advocacy activities.

*Realizing Enhanced Access and Community Ties (“REACT”).* The purpose is to provide the opportunity to strengthen and expand a system of services that supports maximizing the health, wellness, and independence of people with brain injury, family members, and support networks.

*Camp Bruce McCoy.* This is a two-week residential recreational camp for adults with brain injury.

*Domestic Violence.* The Association works with domestic violence and brain injury service providers to screen victims of domestic violence for traumatic brain injury; provides education and technical assistance to the providers; and facilitates ongoing relationships between brain injury and domestic violence service providers to help victims of domestic violence receive the most appropriate services and supports.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 1—Organization and Summary of Significant Accounting Policies (continued)**

Summary of Significant Accounting Policies

Financial statement presentation. The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and follows the Financial Accounting Standards Board Accounting Standards Codification (“Codification”) Topic 958, *Not-for-Profit Entities* (“Topic 958”). The significant accounting and reporting policies used by the Association are described below.

Fair Value Measurements. The Association reports fair value measures of its assets and liabilities using a three-level hierarchy established by U.S. GAAP requiring entities to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 – quoted prices for identical assets or liabilities in active markets
- Level 2 – inputs that are observable for the asset or liability, either directly or indirectly – including quoted prices for identical or similar assets or liabilities in active or inactive markets, other observable inputs such as interest rates and yield curves, and inputs derived principally from, or corroborated by, observable market data by correlation or by other means
- Level 3 – unobservable inputs for the asset or liability – unobservable inputs should be used to measure the fair value if observable inputs are not available

The primary use of fair value measures in the Association’s financial statements is the initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give, if any.

Estimates. The preparation of financial statements in accordance with U.S. GAAP 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 as of the date of the financial statements. On an ongoing basis, the Association's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Association's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Classification of Transactions. All revenues are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses, if any, are reported as decreases in net assets without donor restrictions unless the expense meets a donor restriction.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 1—Organization and Summary of Significant Accounting Policies (continued)**

Cash Equivalents. Cash equivalents include all deposits in banks and highly liquid investments with original maturity dates of less than three months. The carrying value of cash equivalents approximates fair value due to the short maturities of such financial instruments.

Reclassifications. Certain accounts in the fiscal 2020 financial statements have been reclassified to conform with the presentation in the fiscal 2021 financial statements.

Accounts Receivable/Allowance. Accounts receivable consist of “predominately” sponsorships. Accounts receivable that are expected to be collected in less than one year are reported at net realizable value. The allowance for uncollectible accounts receivable, if any, is determined based on management’s evaluation of the collectability of individual promises.

Property and Equipment/Depreciation. Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated, net of accumulated depreciation. Equipment is capitalized if it has a cost or fair value of \$500 or greater. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally five to seven years).

Accrued Expenses. Accrued expenses include wages and paid time-off earned but not paid by year end.

Deferred Revenue. Golf, conference and membership fees received in advance are deferred and recognized in the subsequent year when earned.

Net Assets. The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions. Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Association, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status.

Net Assets With Donor Restrictions. Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Donor-imposed restrictions are generally temporary in nature; as such, restrictions expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed.

As restrictions are satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the statement of activities by reclassifying net assets with donor restrictions to net assets without donor restrictions.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 1—Organization and Summary of Significant Accounting Policies (continued)**

Revenue Recognition Policy. Revenue is measured based on consideration specified in a contract with a customer. The Association recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The Association has no contract assets or liabilities to report as of June 30, 2021 or 2020.

Performance Obligations. Revenue recognition policies for contracts with performance obligations follows:

*Special event revenue* – For performance obligations related to special event revenue, control transfers to the attendee through the passage of time. Revenue is recognized over the course of the event.

*Membership dues* – For performance obligations related to membership dues, control transfers to the member through the passage of time. Revenue is recognized over the course of the membership.

*Program fees* – For performance obligations related to program fees, control transfers to the attendee through the passage of time. Revenue is recognized over the course of the program.

Contributions. Contributions are recognized when received. All contributions are reported as increases in net assets without donor restrictions, unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises to give, if any, with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore, are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

In-Kind Contributions. The Association receives contributions in a form other than cash. Most in-kind contributions are donated supplies, which are recorded as contributions as of the date of gift and as expenses when the donated items are placed into service or distributed. If the Association receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Association's capitalization policy.

Volunteer Services. The Association receives donated services from professionally trained caregivers during its annual camp program and other programs that qualify under Topic 958 for revenue recognition. Amounts recognized as income amounted to \$13,037 and \$8,754 for the years ended June 30, 2021 and 2020, respectively. The Association is the grateful recipient of significant services by other volunteers who have made invaluable contributions of their time and talent to aid the Association in its mission. Predominantly, such volunteers provide services as Board or committee members. As the value of such services is not subject to accurate measurement, pursuant to Topic 958 the value of these contributed

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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services is not reflected in the accompanying financial statements.

**Note 1—Organization and Summary of Significant Accounting Policies (continued)**

Grant Revenues. Grant revenues are recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenues from federal agencies, if any, are subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Association's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Association.

Expense Recognition and Allocation. The cost of providing the Association's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited, using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, payroll taxes, and employee benefits are allocated based on timesheet reports. Employees track time to each functional program.
- Expenses that cannot be directly identified are allocated based on time studies showing how employees incur time. That data is compiled annually to allocate costs.

Annually, or more often when programs are added, the basis on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provided for the overall support and direction of the Association.

Fundraising costs are expensed as incurred even though they may result in contributions received in future years. The Association generally does not conduct its fundraising activities in conjunction with its other activities. In isolated cases, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 2—Liquidity**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021, are as follows:

Cash and cash equivalents	\$ 597,847
Accounts receivable	<u>28,273</u>
Total	<u>\$ 626,120</u>

The Association's fiscal 2022 operating budget reflects operating expenditures in the amount of \$933,826.

The Association maintains two credit card accounts with commercial issuers primarily used to facilitate incidental and web-based purchases. These credit cards, which are normally paid-in-full each month, had a combined outstanding balance at June 30, 2021 of \$444. The commercial credit card issuers have granted the Association a maximum credit limit of \$60,000. Accordingly, as of June 30, 2021, \$26,556 was available under these credit arrangements.

**Note 3—Net Assets With Donor Restrictions**

Net assets in the amount of \$10,000 were released from donor restrictions during the year ended June 30, 2020 by incurring expenses satisfying the donors' restrictions.

**Note 4—Operating Leases**

The Association has operating leases for its office facilities (expires March 2025) and a copier (expires January 2024) with a total expense of \$50,374 and \$39,600 for the years ended June 30, 2021 and 2020, respectively. Total minimum rental commitments based on leases in effect are as follows (years ending June 30):

2022	\$ 51,825
2023	53,319
2024	54,019
2025	40,518

As of June 30, 2021, the Association's landlord holds a \$4,000 security deposit which is reported in the accompanying statement of financial condition as "other assets".



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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 5—Property and Equipment, Net**

Net property and equipment as of June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 25,731	\$ 25,731
Furniture	<u>1,172</u>	<u>1,172</u>
	26,903	26,903
Less: accumulated depreciation	<u>(20,553)</u>	<u>(17,391)</u>
Property and equipment, net	<u>\$ 6,350</u>	<u>\$ 9,512</u>

For purposes of fair value measurements, net book value is deemed representative of fair value.

**Note 6—Grant Revenues**

As discussed in Note 1, the Department for Aging and Rehabilitative Services (“DARS”) issues two grants to the Association: (1) Realizing Enhanced Access and Community Ties (“REACT”) and (2) Brain Injury Resource Network (“BIRN”). The REACT grant covered three continuous years from June 1, 2018 through May 31, 2021. The BIRN grant is on emergency extension and terminates December 31, 2021; on or before termination date, the Association expects a five year renewal.

The following schedule summarizes the grant revenues and related grant advances in the accompanying financial statements as of and for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Grant revenues		
REACT	\$ 209,801	\$ 112,354
BIRN	<u>481,064</u>	<u>481,064</u>
	<u>\$ 690,865</u>	<u>\$ 593,418</u>
Grant advances		
REACT	<u>\$ 9,660</u>	<u>\$ 24,427</u>

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 7—Income Taxes**

As discussed in Note 1, the Association is classified as a public charity exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Association files Form 990, *Return of Organization Exempt from Income Tax*, on an annual basis.

As a qualifying non-profit organization, the Association has been issued a Retail Sales and Use Tax Certificate of Exemption from the Commonwealth of Virginia's Department of Taxation. This exemption enables the Association to purchase qualifying tangible personal property without being subject to Virginia sales and use tax. The Association is unable to accurately quantify the annual tax savings resulting from this exemption. The exemption was issued in June 2018 and expires in June 2023 and is expected to be renewed upon expiration.

With limited exceptions, the Association's Form 990, *Return of Organization Exempt from Income Tax*, for each of the years ended June 30, 2019 through June 30, 2021 are open to examination by the Internal Revenue Service. In accordance with FASB ASC Topic 740, *Income Taxes*, management has evaluated the Association's tax positions and has concluded that the Association has taken no uncertain tax positions that would require adjustment to or disclosure in the accompanying financial statements.

The Association believes it is eligible for the Employee Retention Credit ("ERC") for the second calendar quarter of 2021 and estimates the amount of the ERC at approximately \$63,000. Due to fundamental uncertainties surrounding this new credit, the estimated amount of the ERC has not been reflected in the accompanying financial statements.

**Note 8—Concentrations**

At various times during the years ended June 30, 2021 and 2020, the Association maintained cash balances on deposit with commercial banks in excess of federally insured limits. Management of the Association has evaluated this matter and does not believe the Association is exposed to undue credit risk.

**Note 9—Economic Dependence**

DARS accounted for 78% and 70% of total revenues and support during the years ended June 30, 2021 and 2020, respectively. Accordingly, the Association is economically dependent on this grantor to fund future operations.

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

**Notes to Financial Statements**

**June 30, 2021 and 2020**

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**Note 10—Disaggregation of Revenue from Contracts with Customers**

The following table disaggregates the Association’s revenue based on the time of satisfaction of performance obligations for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Membership dues	\$ 19,697	\$ 15,092
Program fees	14,115	12,153
Special event revenues	<u>33,151</u>	<u>10,125</u>
Total	<u>\$ 66,963</u>	<u>\$ 37,370</u>

**Note 11—Uncertainties**

In early 2020, the World Health Organization declared the Coronavirus (“COVID”) outbreak to be a pandemic. The United States Government’s response to the pandemic included significant limitations on many aspects of Americans’ daily lives, including personal mobility and closures of many public facilities. These limitations have caused significant disruption to workflow for commercial and non-profit entities and also have impacted the financial markets in the U.S. and around the globe.

Specific impacts of the pandemic to the Association were as follows:

Modification of Service Delivery Model: In response to the pandemic, the Association implemented social distancing protocols, provided personal protective equipment to its employees and complied with the CDC’s minimum recommendations regarding cleaning and disinfecting work surfaces to create a safe working environment. In addition, the Association held its annual conferences in a virtual format.

Grants: The Association provided emergency grants to individuals in need to meet basic living expenses.

Paycheck Protection Program (PPP) Forgivable Loan: The Association met the criteria of Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) regarding its Paycheck Protection Program (“PPP”) and the Association received a PPP loan in the amount of \$100,228 from the Small Business Administration in May 2020. The terms of the PPP included debt forgiveness upon meeting specific criteria and the Association met such criteria in 2020 and received forgiveness for all outstanding amounts in April 2021.

In accordance with FASB 958-605 loan proceeds that are expected to be forgiven are accounted for as conditional contributions. The Association believes it met all conditions required to obtain forgiveness in fiscal 2020 and, therefore, recognized the entire loan as other revenue in the accompanying 2020 statement of activities. The Association did not apply for a second PPP loan under the criteria established by the Consolidated Appropriations Act, 2021.

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**Note 11—Uncertainties (continued)**

Employee Retention Credit. As discussed in Note 7, The Association believes it is eligible for the ERC for the second calendar quarter of 2021 and estimates the amount of the ERC at approximately \$63,000. Due to fundamental uncertainties surrounding this new credit, the estimated amount of the ERC has not been reflected in the accompanying financial statements.

Vaccine. In late 2020, the international medical community formulated a COVID vaccine and substantial quantities have been distributed in 2020 and 2021 throughout the world. The ultimate efficacy of the vaccine and its long-term impacts, if any, are unknown at this time. Leading medical experts generally agree that the extent of COVID throughout the world may be substantially reduced by fall 2021; however, new variants of COVID have been identified in 2021 and have impacted individuals across the globe.

Future Outlook. The Association is continually monitoring the potential impact of the pandemic but has not made any adjustments to the accompanying financial statements as a result of COVID related uncertainties. The Association will review and adjust planned operations should it be determined the pandemic will significantly impact the Association's financial position and/or activities.

**Note 12—Subsequent Events**

In the preparation of its financial statements, the Association considered subsequent events through November 15, 2021, which was the date the financial statements were available to be issued.