

Side By Side Brain Injury Clubhouse, Inc.
Stone Mountain, Georgia

Independent Auditor's Report
Financial Statements
Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Side by Side Brain Injury Clubhouse, Inc.
Stone Mountain, Georgia

We have audited the accompanying financial statements of Side By Side Brain Injury Clubhouse, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial

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 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 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 Side By Side Brain Injury Clubhouse, Inc. as of June 30, 2023 and 2022, 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.

Report on Supplementary Information

The supplementary combined financials are presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Barnes Merritt + Barnes LLC

Atlanta, Georgia
October 4, 2023

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF FINANCIAL POSITION
Years ended June 30, 2023 and 2022

Exhibit A

	<u>2023</u>	<u>2022</u>
Assets:		
Cash	\$ 264,336	\$ 381,482
Accounts receivables-net	45,203	32,852
Pledges and grants receivable (Note B)	314,420	76,610
Prepaid expenses	8,931	9,574
Property and equipment-net (Note G)	<u>1,323,713</u>	<u>1,417,684</u>
Total assets	<u><u>\$ 1,956,603</u></u>	<u><u>\$ 1,918,202</u></u>
Liabilities:		
Accounts payable	\$ 142,665	\$ 76,127
Accrued expenses	4,019	50
Other current liabilities	<u>4,081</u>	<u>757</u>
Total liabilities	<u><u>150,765</u></u>	<u><u>76,934</u></u>
Net assets:		
Without donor restrictions	1,744,704	1,785,588
With donor restrictions	<u>61,134</u>	<u>55,680</u>
Total net assets	<u><u>1,805,838</u></u>	<u><u>1,841,268</u></u>
 Total liabilities and net assets	 <u><u>\$ 1,956,603</u></u>	 <u><u>\$ 1,918,202</u></u>

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Exhibit B
Page 1 of 2

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in net assets:			
Revenues, gains (losses) & other support:			
Private gifts and grants	\$ 246,683	\$ 461,671	\$ 708,354
Program fees:			
Rehabilitation	317,914		317,914
Interest income	563		563
Gifts in kind	6,813		6,813
Net assets released from restrictions:	456,217	(456,217)	-
Satisfaction of purpose restrictions			
Total revenue & other support	<u>1,028,190</u>	<u>5,454</u>	<u>1,033,644</u>
Operating expenses:			
Program costs:			
Rehabilitation	889,496	-	889,496
Total program costs	<u>889,496</u>	<u>-</u>	<u>889,496</u>
Supporting activities:			
Management & general	117,155	-	117,155
Fundraising	62,423	-	62,423
Total supporting activities	<u>179,578</u>	<u>-</u>	<u>179,578</u>
Total operating expenses	<u>1,069,074</u>	<u>-</u>	<u>1,069,074</u>
Changes in net assets	(40,884)	5,454	(35,430)
Net assets, beginning of year	<u>1,785,588</u>	<u>55,680</u>	<u>1,841,268</u>
Net assets, end of year	<u><u>\$ 1,744,704</u></u>	<u><u>\$ 61,134</u></u>	<u><u>\$ 1,805,838</u></u>

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Exhibit B
Page 2 of 2

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in net assets:			
Revenues, gains (losses) & other support:			
Private gifts and grants	\$ 134,153	\$ 268,318	\$ 402,471
Program fees:			
Rehabilitation	303,179	-	303,179
Interest income	316	-	316
Net assets released from restrictions:			
Satisfaction of purpose restrictions	227,013	(227,013)	-
	<u>664,661</u>	<u>41,305</u>	<u>705,966</u>
Total revenue & other support			
	<u>664,661</u>	<u>41,305</u>	<u>705,966</u>
Operating expenses:			
Program costs:			
Rehabilitation	815,132	-	815,132
Total program costs	815,132	-	815,132
Supporting activities:			
Management & general	104,477	-	104,477
Fundraising	58,917	-	58,917
Total supporting activities	163,394	-	163,394
	<u>978,526</u>	<u>-</u>	<u>978,526</u>
Total operating expenses			
	<u>978,526</u>	<u>-</u>	<u>978,526</u>
Changes in net assets	(313,865)	41,305	(272,560)
Net assets, beginning of year	2,099,453	14,375	2,113,828
Net assets, end of year	<u>\$ 1,785,588</u>	<u>\$ 55,680</u>	<u>\$ 1,841,268</u>

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

Exhibit C
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	<u>Supporting Activities</u>			
	Rehabilitation Services	Management & General	Fundraising	Total
Automobile	\$ 1,191	\$ -	\$ -	\$ 1,191
Bad debt	3,500	-	-	3,500
Bank service charges	-	5,833	-	5,833
Contributions and gifts	482	-	-	482
Depreciation	98,861	5,203	-	104,064
Equipment rental	6,315	702	-	7,017
Insurance	28,181	3,131	-	31,312
Leased employees	620,033	75,614	60,491	756,138
Meetings	24,076	-	-	24,076
Office expense	3,774	419	-	4,193
Postage & delivery	1,472	218	-	1,690
Printing & reproduction	7,998	1,816	-	9,814
Professional fees	-	18,500	-	18,500
Repairs & maintenance	18,531	975	-	19,506
Supplies	25,837	309	-	26,146
Taxes and licenses	561	62	-	623
Technology	24,840	2,922	1,461	29,223
Telephone	5,610	499	124	6,233
Training	1,619	85	-	1,704
Travel	486	-	-	486
Utilities	16,129	867	347	17,343
Total	<u>\$ 889,496</u>	<u>\$ 117,155</u>	<u>\$ 62,423</u>	<u>\$ 1,069,074</u>
Percentage of Total	83%	11%	6%	100%

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

Exhibit C
Page 2 of 2

		<u>Supporting Activities</u>		
	Rehabilitation Services	Management & General	Fundraising	Total
Automobile	\$ 3,363	\$ -	\$ -	3,363
Bad debt	268	-	-	268
Bank service charges	-	3,012	-	3,012
Contributions and gifts	633	-	-	633
Depreciation	101,497	5,342	-	106,839
Equipment rental	6,267	696	-	6,963
Insurance	25,804	2,867	-	28,671
Leased employees	571,333	69,675	55,739	696,747
Meetings	9,648	-	-	9,648
Office expense	4,517	502	-	5,019
Postage & delivery	1,335	576	300	2,211
Printing & reproduction	7,514	-	1,115	8,629
Professional fees	-	16,500	-	16,500
Repairs & maintenance	14,462	761	-	15,223
Supplies	18,312	397	53	18,762
Taxes and licenses	1,071	119	-	1,190
Technology	19,131	2,251	1,125	22,507
Telephone	5,705	507	127	6,339
Training	2,453	129	-	2,582
Travel	551	-	-	551
Utilities	21,268	1,143	458	22,869
Total	<u>\$ 815,132</u>	<u>\$ 104,477</u>	<u>\$ 58,917</u>	<u>\$ 978,526</u>
Percentage of Total	83%	11%	6%	100%

Side by Side Brain Injury Clubhouse, Inc.
STATEMENT OF CASH FLOWS
Years Ended June 30, 2023 and 2022

Exhibit D

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Changes in net assets	\$ (35,430)	\$ (272,560)
Adjustment to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Forgiveness of payroll costs		
Depreciation	104,064	106,839
(Increase) decrease in assets:		
Accounts receivable	(12,351)	(5,208)
Pledges and grants receivable	(237,810)	(60,377)
Prepaid expenses	643	(3,548)
Increase (decrease) in liabilities:		
Accounts payable	66,538	12,323
Accrued liabilities	3,969	(2,511)
Other current liabilities	3,324	757
Net cash used in operating activities	<u>(107,053)</u>	<u>(224,285)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(10,093)</u>	<u>(19,587)</u>
Net cash used for investing activities	<u>(10,093)</u>	<u>(19,587)</u>
Net increase/(decrease) in cash	(117,146)	(243,872)
Cash, beginning of year	<u>381,482</u>	<u>625,354</u>
Cash, end of year	<u><u>\$ 264,336</u></u>	<u><u>\$ 381,482</u></u>

Side by Side Brain Injury Clubhouse, Inc.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

Note A-Summary of significant accounting policies:

Nature of activities:

Side by Side Brain Injury Clubhouse, Inc. (the “Organization”) is a not-for-profit voluntary health and welfare agency that provides psychosocial and vocational rehabilitation for adults with brain injuries. The objective is to increase the quality of life through productive activity including paid and non-paid work, education and independent living. It is independently funded primarily through program service fees as well as foundation, corporate, and individual contributions.

Method of accounting:

The Organization maintains its accounting records on the accrual basis of accounting in conformity with generally accepted accounting principles. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time and net assets that may be maintained permanently by the organization.

Cash and cash equivalents:

For purposes of reporting cash flows, the Organization considers all highly liquid, short-term investments with an original maturity of three months or less at acquisition, as cash and cash equivalents.

Concentration of credit risk:

The amount of cash balances exceeding the federally insured limits of \$250,000 for the reported years is summarized below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Amounts exceeding federally insured limits at year end	\$ -	\$ 86,681

The Organization has not experienced any losses in such accounts.

Side by Side Brain Injury Clubhouse, Inc.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

Note A-Summary of significant accounting policies-continued:

Accounts receivables:

Accounts receivable are considered fully collectible and are reported net of an allowance for doubtful accounts as summarized below. The allowance is based on management's estimate of the receivables that are collectible.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Allowance for doubtful accounts	\$ 7,346	\$ 2,362

Pledges and grants receivable:

Pledges, including unconditional promises to give, and grants are recognized in the period received. The amounts are recorded at their estimated fair value. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Property and equipment:

Property and equipment are stated at cost, or, if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment excluding computers in excess of \$2,000 are capitalized. Computers in excess of \$500 are capitalized.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. A summary of depreciable lives follows:

<u>Asset Type</u>	<u>Years</u>
Vehicles	5
Furniture and equipment	5-10
Buildings and improvements	25

Donated services:

Volunteers have donated significant amounts of their time to the Organization's program services and fundraising campaigns, however these donated services do not meet the established criteria to record in the financial statements.

Income taxes:

The Organization is recognized as exempt from Federal income tax under Internal Revenue Code Section 501(c) (3) whereby only the unrelated business income, as defined by Section 512(a) (1) of the Internal Revenue Code, is subject to Federal income tax. The Organization has been classified as an organization that is not a private foundation under IRC Section 509 (a).

Reclassification of prior year presentation:

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Side by Side Brain Injury Clubhouse, Inc.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

Note A-Summary of significant accounting policies-continued:

Use of estimates:

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 assets and liabilities, the 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 differ from those estimates.

Subsequent events:

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

Note B-Pledges and grants receivable:

The Organization maintains grants with multiple government agencies to ensure services are provided to vulnerable populations. These grants are on a reimbursement basis and the outstanding amounts were as follows:

<u>June 30, 2023</u>	<u>June 30, 2022</u>
\$ 275,000	\$ 16,149

Note C-Functional allocation of expenses:

Some expense categories are attributable to more than one activity and require allocation applied on consistent basis. Leased employee and benefits expenses are allocated on the basis of time dedicated to each function. Depreciation is allocated based on estimated square footage. Other expenses are assigned directly to the specific activities.

Note D-Line of credit

The Organization maintains a \$250,000 line of credit. At June 30, 2023 and 2022 there were no borrowings against the line.

Note E-Liquidity

The operations of the Organization are funded partially from income generated through its rehabilitation program with the remaining support generated from donor contributions and grants. The Organization's financial assets available within one year of the balance sheet date for general operating expenditures are summarized below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash and Cash Equivalents	\$ 264,336	\$ 381,482
Member accounts receivable - net	45,203	32,852
Pledges and grants receivable	<u>314,420</u>	<u>76,610</u>
Financial assets available within one year of the balance sheet date	<u>\$ 623,959</u>	<u>\$ 490,944</u>

Side by Side Brain Injury Clubhouse, Inc.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

Note E-Liquidity-continued

All receivables are expected to be collected within one year. Financial assets were held in a capital reserve account established by the Board of Directors for capital improvements as summarized below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Capital reserve account	\$ 165,041	\$ 154,806

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could draw upon its \$250,000 line of credit.

Note F-Net Assets

Net assets without donor restrictions

At June 30, 2023, all net assets without donor restrictions are undesignated as to their use.

Net assets with donor restrictions

At June 30, 2023 the net assets with donor restrictions are available for use for the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
American Relief Program	\$ -	\$ 25,000
Capital equipment/other	25,634	680
Scholarships	35,500	30,000
Net assets with donor restrictions	<u>\$ 61,134</u>	<u>\$ 55,680</u>

Note G-Property and equipment-net:

Property and equipment-net for the reported periods is summarized as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Buildings and improvements	\$ 2,239,078	\$ 2,238,471
Land	100,000	100,000
Vehicles	46,534	46,534
Furniture and equipment	103,423	93,937
Total	2,489,035	2,478,942
Less accumulated depreciation	(1,165,322)	(1,062,258)
Property and equipment-net	<u>\$ 1,323,713</u>	<u>\$ 1,416,684</u>

Depreciation expense related to property and equipment is summarized below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Depreciation Expense	\$ 104,064	\$ 106,389