

**Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance
and Consolidated Affiliate**

Consolidated Financial Statements and
Supplementary Information

December 31, 2025 and 2024

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

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Independent Auditors' Report

To the Board of Directors of
Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and
Consolidated Affiliate (Minnesota Stroke Association)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Brain Injury Association of Minnesota DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate (Minnesota Stroke Association) (the Alliance), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Alliance as of December 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 16 to 19 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Minneapolis, Minnesota
April 14, 2026

Brain Injury Association of Minnesota**DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate**

Consolidated Statements of Financial Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 3,449,693	\$ 3,727,149
Accounts receivable, net of allowance for credit losses of \$55,000 in 2025 and 2024	858,117	1,034,459
Grants receivable	99,352	91,549
Prepaid expenses	22,507	52,688
Investments	1,750,000	1,750,000
Other assets	35,800	35,800
Right-of-use asset, operating	1,630,154	653,760
Total assets	<u>\$ 7,845,623</u>	<u>\$ 7,345,405</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 11,712	\$ 22,281
Accrued expenses	409,407	340,577
Deferred revenues	454	6,076
Lease liability, operating	1,645,402	747,500
Total liabilities	<u>2,066,975</u>	<u>1,116,434</u>
Net Assets		
Without donor restrictions	5,744,048	6,194,371
With donor restrictions	34,600	34,600
Total net assets	<u>5,778,648</u>	<u>6,228,971</u>
Total liabilities and net assets	<u>\$ 7,845,623</u>	<u>\$ 7,345,405</u>

See notes to consolidated financial statements

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Government grants	\$ 918,084	\$ -	\$ 918,084	\$ 913,708	\$ -	\$ 913,708
Contributions	125,246	-	125,246	128,640	-	128,640
Case management fees	5,123,254	-	5,123,254	4,426,384	-	4,426,384
Fundraising event revenue	87,784	-	87,784	70,227	-	70,227
Investment income	172,709	-	172,709	142,570	-	142,570
Professional development conferences	115,232	-	115,232	77,698	-	77,698
Other	42,339	-	42,339	28,205	-	28,205
Total support and revenue	6,584,648	-	6,584,648	5,787,432	-	5,787,432
Expenses						
Program	6,719,620	-	6,719,620	6,192,456	-	6,192,456
Management and general	159,741	-	159,741	123,412	-	123,412
Fundraising	155,610	-	155,610	141,822	-	141,822
Total expenses	7,034,971	-	7,034,971	6,457,690	-	6,457,690
Change in net assets	(450,323)	-	(450,323)	(670,258)	-	(670,258)
Net Assets, Beginning	6,194,371	34,600	6,228,971	6,864,629	34,600	6,899,229
Net Assets, Ending	\$ 5,744,048	\$ 34,600	\$ 5,778,648	\$ 6,194,371	\$ 34,600	\$ 6,228,971

See notes to consolidated financial statements

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	Resource Facilitation Information and Resources	Education and Systems Advocacy	Public Awareness	Case Management	Volunteer Program	Multicultural Outreach	Total Brain Injury Program	Minnesota Stroke Association Program	Management and General	Fundraising	Total
Salaries and wages	\$ 910,781	\$ 285,329	\$ 90,301	\$ 3,236,328	\$ 63,212	\$ 87,116	\$ 4,673,067	\$ 306,293	\$ 133,063	\$ 117,080	\$ 5,229,503
Payroll tax expense	57,445	13,404	5,745	264,247	3,830	3,830	348,501	22,518	5,438	6,510	382,967
Employee benefits	79,346	18,514	7,935	365,160	5,290	5,290	481,535	31,104	7,511	8,993	529,143
Total salaries and related expenses	1,047,572	317,247	103,981	3,865,735	72,332	96,236	5,503,103	359,915	146,012	132,583	6,141,613
Advertising and promotion	-	-	205	-	-	-	205	205	-	2	412
Bad debt expense	-	-	-	31,041	-	-	31,041	-	-	-	31,041
Insurance	3,329	777	333	15,314	222	222	20,197	1,305	315	377	22,194
Contract services	54,271	2,728	247	24,310	164	364	82,084	4,698	244	411	87,437
Dues and subscriptions	1,464	116	21	986	14	14	2,615	2,282	20	24	4,941
Postage	4,265	951	29,534	18,742	272	272	54,036	8,681	386	462	63,565
Printing	1,802	74	39,488	1,138	15	15	42,532	32,270	36	19	74,857
Professional fees	11,591	2,677	1,152	53,717	779	779	70,695	8,895	1,425	1,838	82,853
Rental	42,606	9,313	4,104	205,250	2,997	2,997	267,267	22,240	4,586	5,645	299,738
Repairs and maintenance	2,149	10,422	215	9,885	143	143	22,957	8,745	203	2,895	34,800
Workshops and educational programs	-	51	-	-	-	362	413	-	-	-	413
Supplies	4,192	1,475	2,095	19,066	289	269	27,386	2,562	712	8,925	39,585
Travel expenses	2,591	2,489	500	36,812	-	2,321	44,713	2,714	41	694	48,162
Utilities	4,004	1,263	400	22,053	267	267	28,254	1,579	1,288	454	31,575
Professional development	865	-	-	1,239	-	1,210	3,314	-	2,016	-	5,330
Employee recognition	109	684	67	760	64	6	1,690	41	436	10	2,177
Hiring expense	-	-	-	3,299	-	-	3,299	104	-	-	3,403
Legislative expenses	-	4,518	-	-	-	-	4,518	-	-	-	4,518
Other expenses	475	23,994	199	569	-	179	25,416	27,649	2,021	1,271	56,357
Total expenses	<u>\$ 1,181,285</u>	<u>\$ 378,779</u>	<u>\$ 182,541</u>	<u>\$ 4,309,916</u>	<u>\$ 77,558</u>	<u>\$ 105,656</u>	<u>\$ 6,235,735</u>	<u>\$ 483,885</u>	<u>\$ 159,741</u>	<u>\$ 155,610</u>	<u>\$ 7,034,971</u>

See notes to consolidated financial statements

Brain Injury Association of Minnesota
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Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Resource Facilitation Information and Resources	Education and Systems Advocacy	Public Awareness	Case Management	Volunteer Program	Multicultural Outreach	Total Brain Injury Program	Minnesota Stroke Association Program	Management and General	Fundraising	Total
Salaries and wages	\$ 835,295	\$ 238,411	\$ 82,849	\$ 2,893,514	\$ 57,271	\$ 80,222	\$ 4,187,562	\$ 267,611	\$ 97,584	\$ 104,063	\$ 4,656,820
Payroll tax expense	54,609	17,065	5,120	228,677	3,413	3,413	312,297	18,635	4,744	5,632	341,308
Employee benefits	76,810	24,003	7,201	321,641	4,801	4,801	439,257	25,632	6,631	7,852	479,372
Total salaries and related expenses	966,714	279,479	95,170	3,443,832	65,485	88,436	4,939,116	311,878	108,959	117,547	5,477,500
Advertising and promotion	-	-	205	-	-	-	205	205	-	188	598
Bad debt expense	-	-	-	38,533	-	-	38,533	-	-	-	38,533
Insurance	2,746	849	262	11,434	170	170	15,631	848	230	271	16,980
Contract services	52,250	3,448	737	26,238	90	90	82,853	1,989	185	148	85,175
Dues and subscriptions	1,134	69	26	923	13	13	2,178	-	13	13	2,204
Postage	4,082	1,267	27,745	16,981	253	253	50,581	2,696	365	418	54,060
Printing	2,087	319	41,730	2,280	32	191	46,639	24,193	188	292	71,312
Professional fees	10,790	3,318	1,031	44,899	667	667	61,372	9,172	1,362	1,760	73,666
Rental	65,166	20,439	6,072	273,406	4,088	4,088	373,259	22,907	5,729	6,823	408,718
Repairs and maintenance	2,252	15,962	211	9,430	141	141	28,137	6,752	196	3,451	38,536
Workshops and educational programs	-	-	-	-	-	362	362	-	-	-	362
Conference expense	-	203	-	-	-	-	203	-	-	-	203
Supplies	2,730	1,754	436	10,094	148	563	15,725	1,133	311	8,279	25,448
Travel expenses	3,462	2,023	620	36,366	-	1,794	44,265	1,597	23	1,116	47,001
Utilities	4,412	1,674	412	23,032	274	274	30,078	1,564	3,283	453	35,378
Professional development	754	2	2	1,073	1	1	1,833	230	1	2	2,066
Employee recognition	61	19	6	255	65	4	410	21	278	6	715
Hiring expense	-	-	-	4,840	-	-	4,840	-	17	-	4,857
Legislative expenses	-	25,236	-	-	-	-	25,236	-	-	-	25,236
Other expenses	620	20,481	85	839	-	61	22,086	23,729	2,272	1,055	49,142
Total expenses	<u>\$ 1,119,260</u>	<u>\$ 376,542</u>	<u>\$ 174,750</u>	<u>\$ 3,944,455</u>	<u>\$ 71,427</u>	<u>\$ 97,108</u>	<u>\$ 5,783,542</u>	<u>\$ 408,914</u>	<u>\$ 123,412</u>	<u>\$ 141,822</u>	<u>\$ 6,457,690</u>

See notes to consolidated financial statements

Brain Injury Association of Minnesota**DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate**

Consolidated Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (450,323)	\$ (670,258)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash lease expense	(78,492)	(11,967)
Change in allowance on accounts receivable	-	(5,000)
Changes in assets and liabilities:		
Accounts receivable	176,342	(431,108)
Grants receivable	(7,803)	288,343
Prepaid expenses	30,181	(22,643)
Accounts payable	(10,569)	8,277
Accrued expenses	68,830	68,384
Deferred revenues	(5,622)	(6,119)
Net cash flows from operating activities	<u>(277,456)</u>	<u>(782,091)</u>
Cash Flows From Investing Activities		
Sales of investments	<u>-</u>	<u>500,000</u>
Net cash flows from investing activities	<u>-</u>	<u>500,000</u>
Net change in cash and cash equivalents	(277,456)	(282,091)
Cash and Cash Equivalents, Beginning	<u>3,727,149</u>	<u>4,009,240</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 3,449,693</u></u>	<u><u>\$ 3,727,149</u></u>

See notes to consolidated financial statements

Brain Injury Association of Minnesota

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Notes to Consolidated Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

Nature of Activities

Brain Injury Association of Minnesota DBA: Minnesota Brain Injury Alliance (the Alliance) is a statewide nonprofit Alliance formed to provide support, advocacy and education for survivors of brain injury and their families. The mission of the Alliance is to raise awareness of brain injury and enhance the quality of life for people affected by brain injury. The Alliance's office is an information and resource center which provides educational materials, resources and support.

Minnesota Brain Injury Alliance is the sole member of the Minnesota Stroke Association and has voting rights and the power to appoint and terminate directors. The Minnesota Stroke Association is a statewide nonprofit Alliance formed to raise awareness about stroke and to enhance the quality of life for all people coping with its sudden and long-term effects.

The services that the Alliance provides are as follows:

- **Resource Facilitation Information and Resources** - offers ongoing support after hospital discharge for persons with brain injury and their family members, and offers resources and referrals to appropriate services. The program is intended to aid with the transition from hospital back to home, work, school and the community.
- **Education** - recognizes that everyone is a partner in learning and as a result provides quality educational opportunities for both consumers and for professional development. Educational opportunities include specialized training for consumers and professionals about brain injury and prevention and several conferences throughout the year.
- **Systems Advocacy** - identifies the needs of children and adults living with brain injury in Minnesota and carries forward sound, progressive public policy that addresses those needs and creates equity in access to services. The creation of the Citizen Advocate network empowers and educates individuals to self-advocate with the belief that the strongest voice of change comes from people most directly affected by brain injury.
- **Public Awareness** - is committed to producing a clear, unified message to help cultivate a deeper understanding of brain injury. This is achieved through written materials on the website, print and email newsletters, brochures, public awareness events, media relations and by building community collaborations.
- **Case Management** - assists consumers on Traumatic Brain Injury (TBI) Waivers and Community Alternative for Disabled Individuals (CADI) Waivers, and provides Relocation Service Coordination within contracted counties and offers flexible case management services for consumers utilizing Consumer Directed Community Supports (CDCS). The consumers' choices and preferences are supported through assessments, identifying available resources, empowering personal responsibility, advocating for services needed, accessing funding sources (waiver and non-waiver) for medical, social and educational needs, and monitoring the plan of care to ensure the safety and health of the consumer.
- **Volunteer Program** - provides volunteers of all abilities and backgrounds opportunities to contribute to Alliance programs, work with staff members and serve people across the state, increasing awareness of brain injury and the Alliance. Volunteers build skills while giving back to the community. Volunteer opportunities provide valuable work experience in a safe environment for persons with brain injury.

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December 31, 2025 and 2024

- **Multicultural Outreach** - broadens awareness of brain injury in racially/ethnically diverse communities by working closely with existing cultural service Alliances to provide education and support to professionals and community members. Through these community collaborations, the program strengthens service to communities of color, offering an empowering environment in which persons with brain injury can heal, professionals can learn how to work effectively with persons with brain injury, and community members can learn how to prevent brain injury.

Principles of Consolidation

The consolidated financial statements include the accounts of Brain Injury Association of Minnesota DBA: Minnesota Brain Injury Alliance and its affiliate, Minnesota Stroke Association (collectively, the Alliance). All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Alliance defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Cash on deposit in excess of federally insured limits are subject to the usual banking risks of funds in excess of those limits.

Receivables

Receivables are carried at the unpaid balance of the original amount billed less an estimate made for credit losses which is based on a review of all outstanding amounts. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are generally unsecured.

Allowances for uncollectible accounts are maintained for estimated probable losses resulting from the Alliance's inability to collect receivables from customers. Accounts that are outstanding longer than the payment terms are considered past due. A number of factors are considered in determining the allowance for credit losses, including the length of time receivables are past due, previous loss history, current economic and societal conditions and reasonable and supportable forecasts that affect the collectability of receivables from customers. The Alliance generally writes off accounts when they become uncollectible or are over a certain number of days outstanding. As of December 31, 2025 and 2024, the allowance for credit losses was \$55,000.

Investments

Investments, other than certificates of deposit, are recorded at fair value. Certificate of deposits are carried at cost which approximates market value. Investment income and unrealized gains or losses are included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions.

Equipment

Equipment is stated at cost, or in the case of donated property and equipment, at estimated fair market value at the date of the gift. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Equipment over \$1,000 is capitalized and is depreciated using the straight-line method over the shorter of their estimated useful life or the length of the lease.

Brain Injury Association of Minnesota

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Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Net Assets

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

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Alliance and/or passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Alliance to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations.

Board Designated Net Assets

The Alliance's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. There are no board designated net assets at December 31, 2025 and 2024.

Revenue Recognition and Disaggregation of Revenue

Contribution Revenue Recognition

Unconditional contributions, including promises to give, are recognized in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Alliance reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Government Grants Revenue Recognition

Government grants are treated as conditional contributions to be recognized as revenue when the relevant performance or other barriers have been met. In the case of the Alliance, the performance barrier is met when the qualifying expenditure occurs. If amounts are received under the grant prior to the incurrence of the qualifying expenditure, such amounts are deferred until such conditions are met.

Expenditures under government grants may be subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these grants, the Alliance will record such disallowance at the time the assessment is made.

The Alliance received governmental grants generated from drivers' license revenues, principally from the Minnesota Department of Health and Minnesota Department of Human Services.

Conditional contributions whose conditions and restrictions are met simultaneously, in the same year, are recorded as contributions without donor restrictions.

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Case Management Fees

The Alliance contracts with the State of Minnesota to provide case management services. It also bills clients, insurance companies, HMO's and other third party payers for services provided. Revenues from these activities are recognized as the performance obligations are satisfied, which is equivalent to when the services are provided.

Deferred Revenues

Certain revenues applying to services to be rendered in future periods are recorded as deferred revenue when received and reflected as support when performance obligations are satisfied.

Contributed Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services have been received as donations throughout the year. However, these services do not meet the above criteria, and therefore have not been recorded.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs amounted to \$412 and \$598 for the years ended December 31, 2025 and 2024, respectively.

Retirement Plan

The Alliance has a defined contribution retirement plan for employees. The plan is contributory and contributions are based on a percentage of compensation. The employer matching cost of the plan is paid currently and amounted to \$143,824 and \$133,150 for the years ended December 31, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs such as depreciation, insurance, professional fees, National Alliance dues and information technology have been allocated among the programs and supporting services benefited based on estimates of time and effort spent in each category.

Impairment of Long-Lived Assets

The Alliance reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Brain Injury Association of Minnesota
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Notes to Consolidated Financial Statements
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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. Significant estimates include allocations to the various functional expense categories. Actual results could differ from those estimates.

Tax-Exempt Status

The Internal Revenue Service has determined that Minnesota Brain Injury Alliance and Minnesota Stroke Association are tax-exempt Alliances under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal or state income taxes. However, any unrelated income may be subject to taxation.

The Alliance follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Alliance for uncertain tax positions as of December 31, 2025 and 2024.

Reclassifications

Certain amounts appearing in the 2024 financial statements have been reclassified to conform to the 2025 presentation. The reclassifications had no effect on the amounts of total cash, change in cash, net assets and change in net assets, as previously reported.

2. Liquidity and Availability

The Alliance's financial assets as of December 31, 2025 and 2024 available for general expenditures, within the following 12 months, are as follows:

	2025	2024
Cash and cash equivalents	\$ 3,449,693	\$ 3,727,149
Less net assets with donor restrictions	(34,600)	(34,600)
Grants receivable	99,352	91,549
Accounts receivable	858,117	1,034,459
Investments	1,750,000	1,750,000
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 6,122,562</u>	<u>\$ 6,568,557</u>

The Alliance's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets 9 to 12 months of operating expense coverage at any point in time.

Cash in excess of daily requirements is typically invested in short-term, liquid securities.

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

Notes to Consolidated Financial Statements
December 31, 2025 and 2024

3. Investments

Following is a summary of investments as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Certificates of deposit, at cost	\$ 1,750,000	\$ 1,750,000

4. Operating Lease

The Alliance has an operating lease for office space in Roseville, Minnesota that terminates in October 2038. In addition to base rent, the Alliance is responsible for its allocated share of operating costs.

Right-of-use assets represent the Alliance's right to use an underlying asset for the lease term, while lease liabilities represent the Alliance's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term. Right-of-use assets are assessed for impairment in accordance with the Alliance's long-lived asset policy. The Alliance reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Alliance's lease includes an option to renew the lease. The exercise of lease renewal option is at the Alliance's sole discretion. The Alliance regularly evaluates the renewal and when they are reasonably certain of exercise, the Alliance includes such options in the lease term. The Alliance's lease does not include an option to terminate.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Alliance elected to use a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of December 31:

	<u>2025</u>	<u>2024</u>
Operating lease right-of-use assets	\$ 1,630,154	\$ 653,760
Operating lease liabilities:		
Current	\$ 75,542	\$ 183,948
Long-term	1,569,860	563,552
Total operating lease liabilities	\$ 1,645,402	\$ 747,500

Operating lease expense was \$299,738 and \$408,718 for the years ended December 31, 2025 and 2024, respectively, of which \$192,167 and \$218,207, respectively, was related to common area maintenance.

The right-of-use assets and lease liabilities were calculated using a risk free rate of 4.54%. As of December 31, 2025, the remaining lease term was 12.8 years.

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The table below summarizes the Alliance's scheduled future minimum lease payments for years ending after December 31, 2025:

Years ending December 31:	
2026	\$ 148,137
2027	152,160
2028	156,183
2029	160,206
2030	164,230
Thereafter	<u>1,425,378</u>
Total lease payments	\$ 2,206,294
Less present value discount	<u>(560,892)</u>
Total lease liabilities	<u>\$ 1,645,402</u>

The following table includes supplemental cash flow and noncash information related to the leases for the years ended December 31:

Cash paid for amounts included in the measurement of lease liabilities:	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	\$ 164,811	\$ 188,780
Operating lease right-of-use assets obtained in exchange for lease liabilities	1,685,869	-

5. Contingencies

The Alliance is subject to asserted and unasserted claims encountered in the normal course of business. In the opinion of management and legal counsel, disposition of these matters will not have a material effect on the Alliance's financial condition or results of operations.

6. Concentrations

The Alliance reported \$918,084 and \$913,708 of government grant revenue from the State of Minnesota during the years ended December 31, 2025 and 2024, respectively, representing a portion of driver's license revenues collected by the State. The grant with the State is effective through June 30, 2024. The receivable from the State related to these grants amounted to \$99,352 and \$91,549 at December 31, 2025 and 2024, respectively.

Financial instruments that potentially subject the Alliance to concentrations of credit risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents in excess of federally insured limits are subject to the usual risks of balances in excess of those limits. The Alliance's cash and cash equivalents are on deposit with a single bank. All the Alliance's investments are held with Royal Bank of Canada.

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7. Subsequent Events

In preparing these consolidated financial statements, the Alliance has considered events and transactions for potential disclosure through April 14, 2026, which is the date that the consolidated financial statements were available to be issued.

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Consolidating Statement of Financial Position

December 31, 2025

	Brain Injury Alliance	Minnesota Stroke Association	Eliminating Adjustments	Consolidated
Assets				
Cash and cash equivalents	\$ 3,030,498	\$ 419,195	\$ -	\$ 3,449,693
Accounts receivable, net of allowance for credit losses of \$55,000	906,490	97	(48,470)	858,117
Grants receivable	99,352	-	-	99,352
Prepaid expenses	21,599	908	-	22,507
Investments	1,750,000	-	-	1,750,000
Other assets	35,800	-	-	35,800
Right-of-use asset, operating	1,630,154	-	-	1,630,154
Total assets	<u>\$ 7,473,893</u>	<u>\$ 420,200</u>	<u>\$ (48,470)</u>	<u>\$ 7,845,623</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 11,804	\$ 48,378	\$ (48,470)	\$ 11,712
Accrued expenses	409,407	-	-	409,407
Deferred revenue	454	-	-	454
Lease liability, operating	1,645,402	-	-	1,645,402
Total liabilities	<u>2,067,067</u>	<u>48,378</u>	<u>(48,470)</u>	<u>2,066,975</u>
Net Assets				
Without donor restrictions	5,372,226	371,822	-	5,744,048
With donor restrictions	34,600	-	-	34,600
Total net assets	<u>5,406,826</u>	<u>371,822</u>	<u>-</u>	<u>5,778,648</u>
Total liabilities and net assets	<u>\$ 7,473,893</u>	<u>\$ 420,200</u>	<u>\$ (48,470)</u>	<u>\$ 7,845,623</u>

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

Consolidating Statement of Financial Position

December 31, 2024

	Brain Injury Alliance	Minnesota Stroke Association	Eliminating Adjustments	Consolidated
Assets				
Cash and cash equivalents	\$ 3,234,133	\$ 493,016	\$ -	\$ 3,727,149
Accounts receivable, net of allowance for credit losses of \$55,000	1,070,223	5,785	(41,549)	1,034,459
Grants receivable	91,549	-	-	91,549
Prepaid expenses	41,599	11,089	-	52,688
Investments	1,750,000	-	-	1,750,000
Other assets	35,800	-	-	35,800
Right-of-use asset, operating	653,760	-	-	653,760
Total assets	<u>\$ 6,877,064</u>	<u>\$ 509,890</u>	<u>\$ (41,549)</u>	<u>\$ 7,345,405</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 28,062	\$ 35,768	\$ (41,549)	\$ 22,281
Accrued expenses	334,771	5,806	-	340,577
Deferred revenue	3,451	2,625	-	6,076
Lease liability, operating	747,500	-	-	747,500
Total liabilities	1,113,784	44,199	(41,549)	1,116,434
Net Assets				
Without donor restrictions	5,728,680	465,691	-	6,194,371
With donor restrictions	34,600	-	-	34,600
Total net assets	<u>5,763,280</u>	<u>465,691</u>	<u>-</u>	<u>6,228,971</u>
Total liabilities and net assets	<u>\$ 6,877,064</u>	<u>\$ 509,890</u>	<u>\$ (41,549)</u>	<u>\$ 7,345,405</u>

Brain Injury Association of Minnesota
DBA: Minnesota Brain Injury Alliance and Consolidated Affiliate

Consolidating Statement of Activities

Year Ended December 31, 2025

	Without Donor Restrictions Brain Injury Alliance	Without Donor Restrictions Minnesota Stroke Association	With Donor Restrictions Brain Injury Alliance	Eliminating Adjustments	Total
Support and Revenue					
Government grants	\$ 918,084	\$ -	\$ -	\$ -	\$ 918,084
Contributions	78,992	46,254	-	-	125,246
Case management fees	4,817,254	306,000	-	-	5,123,254
Fundraising event revenue	56,736	31,048	-	-	87,784
Investment income	169,030	3,679	-	-	172,709
Professional development conferences	57,335	57,897	-	-	115,232
Other	14,464	27,875	-	-	42,339
Total support and revenue	6,111,895	472,753	-	-	6,584,648
Expenses					
Program	6,235,735	483,885	-	-	6,719,620
Management and general	130,760	28,981	-	-	159,741
Fundraising	101,854	53,756	-	-	155,610
Total expenses	6,468,349	566,622	-	-	7,034,971
Change in net assets	(356,454)	(93,869)	-	-	(450,323)
Net Assets, Beginning	5,728,680	465,691	34,600	-	6,228,971
Net Assets, Ending	<u>\$ 5,372,226</u>	<u>\$ 371,822</u>	<u>\$ 34,600</u>	<u>\$ -</u>	<u>\$ 5,778,648</u>

Brain Injury Association of Minnesota
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Consolidating Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions Brain Injury Alliance	Without Donor Restrictions Minnesota Stroke Association	With Donor Restrictions Brain Injury Alliance	Eliminating Adjustments	Total
Support and Revenue					
Government grants	\$ 913,708	\$ -	\$ -	\$ -	\$ 913,708
Contributions	105,626	23,014	-	-	128,640
Case management fees	4,161,154	265,230	-	-	4,426,384
Fundraising event revenue	36,467	33,760	-	-	70,227
Investment income	137,897	4,673	-	-	142,570
Professional development conferences	35,803	41,895	-	-	77,698
Other	15,580	12,625	-	-	28,205
Total support and revenue	5,406,235	381,197	-	-	5,787,432
Expenses					
Program	5,783,542	408,914	-	-	6,192,456
Management and general	98,253	25,159	-	-	123,412
Fundraising	95,099	46,723	-	-	141,822
Total expenses	5,976,894	480,796	-	-	6,457,690
Change in net assets	(570,659)	(99,599)	-	-	(670,258)
Net Assets, Beginning	6,299,339	565,290	34,600	-	6,899,229
Net Assets, Ending	<u>\$ 5,728,680</u>	<u>\$ 465,691</u>	<u>\$ 34,600</u>	<u>\$ -</u>	<u>\$ 6,228,971</u>