

Georgetown Program Support

2021 GHF Annual Grant Program

Brookwood in Georgetown

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Application Form

General Instructions

If approved, should they receive the short or long application?

Short

Congratulations on your advancement to the full application stage!

Please complete the remaining sections of the application. The first four sections labelled "LOI" are included for your reference and are "read only."

Program Name & Amount Requested

Program Name*

Georgetown Program Support

Amount requested

\$50,000.00

LOI - About Your Organization

Organization Mission

Our mission is to provide an innovative vocational and residential community for adults with functional disabilities and to change the way the world sees and experiences this population. Historically, day programs for this population simply provided custodial care and menial tasks. What is innovative about Brookwood in Georgetown (BiG) is that we provide an entrepreneurial environment where we empower our Citizens to contribute to the world in meaningful ways.

Organization Vision

BiG envisions a world where people with functional disabilities can reach their full potential. These individuals will be able to explore their interests, learn new skills, experience authentic relationships, and earn the respect of others by completing meaningful work. We dream of a society where those with intellectual and physical disabilities are seamlessly integrated into social, business, religious and recreational

activities. We believe that every person is made in the image of God and has unique abilities, and, when given opportunity and appropriate support, has something significant to contribute to their community.

BiG has a vision of an inclusive, empowering world for adults with special needs. This marks a paradigm shift in the way that society typically views these individuals. BiG seeks not only to transform the lives of our Citizens and their families, but also to transform the way that our community accepts, views, and interacts with those who may be differently abled.

Date of Incorporation

2011

Describe your organization's scope of work

We seek to improve the lives of adults with disabilities through vocational and residential opportunities, which provide important social interactions. BiG developed a work program that educates, trains and supports our Citizens in an encouraging, no-fail environment. The work program includes enterprises strategically chosen for their adaptability and their marketability. Supervisors make job modifications to ensure that every Citizen will experience the dignity of completing meaningful work.

To support our work program, BiG operates an award-winning retail shop and cafe. During non-pandemic times our Citizens are engaged in these support arms of the organization, showing off their talents as cashiers, dishwashers and prep cooks, as well as providing excellent customer service. In this, BiG is changing the way that society views, includes and acknowledges adults with disabilities. Customers are wowed by the beautiful pottery, jewelry, culinary items and soaps that our Citizens create, and they see firsthand the enthusiasm and abilities of our participants as they work in the shop and café. BiG Citizens are flourishing, and our community is noticing, as BiG has become a popular destination for local and out of town guests.

BiG currently serves Citizens at our main Georgetown campus, and has satellite programs in another Georgetown location and in Austin. The satellite locations utilize free workspace to reduce expenses while allowing us to serve more Citizens in a timely manner.

Despite best intentions, BiG can only provide direct service to a fraction of those who desire and deserve these opportunities. This past year we created a replication strategy for assisting others in developing similar programs in their communities. We are currently engaged with a pilot program in Wisconsin. BiG also participates in training which The Brookwood Community near Houston regularly provides for like-minded groups.

The greatest fear of parents of special needs adults is what will happen to their child when they are no longer able to provide care. Our residential program began in 2019 to meet this critical need for housing. We currently are leasing two residences that are home to a total of five women, plus the home parents. The process of building two homes on our campus is underway, with funds already secured. BiG residents will benefit from the same compassionate, thoughtful care in their home and community-based activities that they receive every day at work.

How many unique individuals did your organization serve during the prior fiscal year?

82

Health Equity

Proposal Narrative

Describe how GHF grant funds will be used, if awarded. Please be sure to explain how your organization and this funding request aligns with GHF's Mission, Vision/Vision Philosophy, and Target Population. Specifically identify the target population with which you will be working.

BiG believes that everyone has something important to contribute to their community, and that they have an innate desire to do so. We provide the opportunities for our Citizens to fulfill these dreams. If funds are awarded from GHF, they will go toward program support. This includes salaries, supplies and other expenses that go specifically toward our work with the Citizens, the heart of what we do at BiG. For us to excel in our mission, we maintain a Supervisor to Citizen ratio of 1:8. Having income to support this level of staffing is especially important now, as we are not able to use the helpful services of volunteers.

Brookwood in Georgetown seeks to improve the lives of adults with disabilities, and in so doing improve the health and well-being of their families. We are diligent in keeping our expenses as low as possible, being well-aware that the costs associated with having a special needs child are very high. Citizen parents are trying not only to meet immediate needs, but to also save for the future so that when they pass away, their child's future will be guaranteed.

The tuition for a Citizen to participate at BiG is \$825/month and includes 32 hours a week of services. This amounts to \$6.45 an hour. To keep our program so affordable for these families, in addition to tuition and sales from enterprises, we must raise over \$9,000 per Citizen per year.

Especially during these challenging economic times, BiG is an essential resource to Citizen parents who are single or who are the sole income earner in the home, as well as those who live near or below the poverty line. Without BiG's services, these caregivers might be forced to stay at home with their adult child, thus being unable to work. Resources for basic needs such as food and shelter would be severely limited. Currently, 21 of our 80 Citizens live in single-parent homes. Each year, approximately 30% of our families qualify for financial assistance. We give over \$110,000 in tuition assistance annually.

Because of various limitations, many adults with special needs have significant preventable health issues due to inactivity. We recently completed a study, in conjunction with a kinesiology student from Southwestern University, that has identified areas where we can make a positive impact, both in our vocational and residential programs. We have begun working with a recreational therapist on a program to improve the health of our Citizens through movement and exercise.

BiG Citizens have graduated from the Special Education department of the public school systems into an uncertain and unsupported future. Most have worked diligently for years to gain confidence and attain skills, yet few have the opportunity to continue to learn and grow as they enter the adult world. When they are not given the chance to use their skills and to maintain social connections, many individuals with special needs become discouraged and depressed.

A recent study finds that positive progress for teens with autism basically stalls after graduation, and problem behaviors such as self-injury and aggression often reappear. It is described as a "perilous phase" for the more than 50,000 people with autism who turn 18 every year. The World Health Organization reports, "There is a... growing awareness of the role of work in promoting or hindering mental wellness and its corollary - mental illness."

When BiG provides important, personalized vocational experiences for our Citizens, we change the way they see themselves and their role in society.

UPLOAD: Proposal Budget & Expense Narrative

Please upload your proposed budget and include the following details:

Staff. Position title(s), salary(ies), and fringe working directly with this program. Include rationale for each position and percentage of time these positions will spend on the program.

Supplies. List descriptions and costs for each supply, including rationale as to why these supplies are essential to the success of the program.

Overhead. Provide your organization's overhead rate and the rationale for that rate. If you include a line item for an administrative position(s), please provide salary percentage and rationale.

LOI - Relationship with Georgetown and GHF

Collaboration

In what ways do you collaborate or coordinate your services with other local organizations to serve Georgetown-area residents?

We love the blessings and opportunities afforded to us by being part of the Georgetown community, although much of that interaction has been temporarily curtailed by the pandemic. Currently, the most active collaboration has been with Southwestern University. Each semester of the past year we have had interns from SU who have worked with us in various capacities, including administration, research, and program support. This is a relationship that we especially enjoy because of the mutual benefits for our program and the interns.

Other points of contact that have been important in the past and will resume when it is safe to interact include:

- San Gabriel Park and the Georgetown Recreation Center.
- Mel's Lone Star Lanes, where many BiG Citizens already bowl through Special Olympics
- Attending local churches
- Southwestern University's Best Buddies Program
- Frequent the Georgetown Public Library

Describe your organization's work in Georgetown

BiG provides vocational opportunities and residential services for adults with special needs in Georgetown and the surrounding areas. Our job supervisors train and support our participants as they create marketable items such as hand built pottery, specialty soaps, handcrafted cards and banners, jewelry, woodworking items, doggie treat, and culinary items including granola, fudg, and pies.

All our Citizens experience success, but success might look different for each individual. Our staff takes the time to know each Citizen personally. They assess each Citizen's strengths and challenges as well as their interests and preferences. New enterprises are carefully researched and added only if they support the abilities of our Citizens. Job skills are modified so that everyone can contribute to the collective goal. For instance, a job requiring fine motor skills might be adapted with a large, easy-to-press button so that a Citizen with limited hand control can successfully blend a smoothie in the café or die-cut a shape for our handmade banners.

The marketable items that our Citizens create are sold in the BiG Shop. Our Citizens are also able to work shifts in the gift shop and café, interacting with customers or providing behind-the-scenes support. This visibility helps visitors see our Citizens as capable and talented. They are given many opportunities to try new things and explore their interests, which include music, drama, virtual reality and creative arts projects.

BiG provides meaningful vocational activities for individuals with intellectual, physical and emotional disabilities that prevent them from functioning independently in society. Our participants are adults who have challenges such as autism, brain injury, cerebral palsy, Down syndrome, epilepsy and other diagnosed genetic differences. BiG believes that these individuals each possess unique talents and abilities, and we strive to give them the platform to share those gifts with our community.

By providing meaningful daytime activities for their loved ones, BiG also serves the families of our Citizens. Raising an individual with special needs can take a toll on the entire family - adversely impacting employment, finances, education and even recreation and leisure activities. When our Citizens are engaged each day in high-quality vocational activities, their families have the opportunity to pursue other interests, or just enjoy respite time knowing their loved one is in good care.

How many unique Georgetown residents did your organization serve during the prior fiscal year?

Out of the total number of unique individuals your organization served during the prior fiscal year, how many were Georgetown residents?

39

Is your organization's main office located in Georgetown?

Yes

If no,

where is your organization's main office located? Do you maintain a satellite space in Georgetown? If so, what is the address of the Georgetown-based satellite space?

Has your organization ever received a GHF grant?

Yes

Do you currently receive any form of rent assistance from GHF?

No

If yes, please provide:

- Property address;
- Annual rent payments to GHF;

- Annual grant dollars committed by GHF to your organization specifically associated with your lease agreement.

Instructions for Shorter Applications

Congratulations! You have been approved by the GHF Grants Committee to complete an abridged version of our application in 2021. To finalize your application this year, you will only need to complete the following sections:

- Goals
- Organizational Financials
- Citations, Acknowledgement & Assurance

Goals

Grant Period: The grant period for all GHF Annual Grants is **July 1 - June 30**.

Number of Georgetown residents to be served by this grant*

46

INSTRUCTIONS: Input at least 1 and up to 3 goals that will be achieved through the funding of this proposal. The goal(s) should be attainable within the 12-month grant period.

GOAL 1*

What end result would this grant support?

To enhance the lives of Georgetown adults with special needs through meaningful work and a supportive environment.

Support for the Goal 1: Outcomes, Outputs, Tracking, Activities, Inputs*

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below. Additional prompts are provided to guide your responses within each category.

Outcomes: *What result will show the accomplishment of the strategy? What impact do you anticipate will result from completion of the activities?*

Outputs: *What are the quantitative measures (# of participants, # of sessions held, # of encounters, etc.) that demonstrate progress?*

Tracking: *How will you measure your progress? What systems will you employ to assess the activities?*

Activities: *What activities will support the goal?*

Inputs: *What resources (human, financial, organization, etc.) will be committed to this goal?*

Outcomes:

-Adults with special needs, who might otherwise be living empty lives, will experience a purpose in life through meaningful work.

- Our Citizens will grow in self-confidence as they work in an environment that sets them up for success.
- Social skills will grow as the Citizens have positive interactions with others.

Outputs:

- Grow our number of Georgetown Citizens to 45.
- Measure 100% of our Citizens for quantifiable growth (see Tracking below).
- Provide tours for 20 people per week who will be able to interact with and affirm our Citizens. Tours are tentatively scheduled to resume in July, conditions permitting.

Tracking:

Last year we formed a team who worked with a consultant to help us develop advanced metrics for determining valid measurements of life transformation among our Citizens. Our approach includes both qualitative and quantitative methodologies. This effort was well underway when we were forced to scale back our interactions with the Citizens. We anticipate being able to resume soon and be to report by the end of the grant cycle.

Activities:

- Provide work enterprises where the Citizens take ownership in sustaining their program.
- Provide a safe and attractive work environment.
- All staff will continue to affirm our Citizens as men and women of value because they are made in the image of God.

Inputs:

- Maintain qualified staff at a ratio of at least 1 Supervisor for every 8 Citizens.
- Provide funding for all support services needed for efficient and effective operations.

GOAL 2 (if applicable)

Resume and increase our efforts to change the way the people of Georgetown experience and view this population. Much of this comes through the public interacting with our Citizens, which has been mostly eliminated during the pandemic.

Support for the Goal 2: Outcomes, Outputs, Tracking, Activities, Inputs

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below.

Outcomes:

Outputs:

Tracking:

Activities:

Inputs:

Outcomes:

Rather than responding with apathy, pity or even revulsion, more people in our community will come to appreciate the intrinsic value of adults with special needs.

Citizens and families at BiG will experience greater acceptance and a sense of well-being.

We will make progress in our goal of reverse inclusion, inviting the community to experience our Citizens in their environment.

Outputs:

- Provide weekly tours for up to 20 people.
- Involve 50 volunteers from Georgetown in our program when COVID restrictions are past.
- Provide 5 opportunities for our Citizens to serve in Georgetown.

Tracking:

- We will track the number of volunteer hours from residents in Georgetown.
- We will track the number of Georgetown residents who tour our campus.
- We will track the number of service opportunities we provide our Citizens in Georgetown.

Activities:

- Conduct weekly tours where the community can meet and interact with our Citizens. (Tours are tentatively scheduled to resume in July, conditions permitting.)
- Citizens work shifts in the Gift Shop and Cafe, where they can interact with the community, when conditions permit.
- Find ways for our Citizens to go into the community for events and activities. An example from pre-COVID times is a visit to a Georgetown program for adults with Alzheimer's, where our Citizens helped them make greeting cards.

Inputs:

- Provide the funds necessary to maintain high quality public spaces, such as the Gift Shop, Cafe and Greenhouse.
- Provide excellent staffing of our entire program, including the public spaces.
- Provide adequate staffing for public tours.

GOAL 3 (if applicable)

Support for the Goal 3: Outcomes, Outputs, Tracking, Activities, Inputs

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below.

Outcomes:

Outputs:

Tracking:

Activities:

Inputs:

Your Goals and Organization's Strategic Plan*

Does your organization adhere to a strategic plan? If so, how do specific components of your strategic plan tie to the goals outlined in this section?

On a couple of occasions we have attempted to develop a strategic plan, but without much of an impact. We are, however, very much driven by our stated mission and we are continually evaluating and adjusting to pursue our mission in an effective way. Both of these goals reflect that commitment to our mission.

Organizational Financials

Fiscal Year Start Date*

Please enter the start date of your current fiscal year.

08/01/2020

Fiscal Year End Date*

Please enter the end date of your current fiscal year.

07/31/2021

What are your organization's cash reserves, i.e., days cash on hand?*

\$2,100,000.00

How many months could the organization operate at your continued budget level?*

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UPLOAD: Balance Sheet for Prior Fiscal Year*

(PDF format)

BiG FY20 Balance Sheet.pdf

UPLOAD: Income Statement for Prior Fiscal Year*

(PDF format)

BiG FY20 Income Statement.pdf

UPLOAD: Actual vs. Budget Income Statement for the Prior Fiscal Year*

(PDF format)

Actual to Budget Income Statement FY20.pdf

UPLOAD: Current Year-to-Date Financials to include Balance Sheet and Income Statement.*

(PDF format)

Current Year-to-Date Financials to include Balance Sheet and Income Statement.pdf

UPLOAD: Year-to-Date Cash Flow Statement

If your organization generates a Cash Flow statement, upload it here in PDF format. If not, leave blank.

UPLOAD: Organization Budget for Proposed Fiscal Year, Related to the Grant Period*

(PDF format)

F2021 Budget by Department and Campus.xlsx

Most Recent Organization Audit

If your organization completed an audit since your LOI submission, please upload the most recent audit here.

BiG FY20 Final Audited Financial Statements.pdf

Sources of Organizational Support: Individual Donor Contributions*

Provide the total revenue from individual contributions and the total number of individual donors from the prior fiscal year (please do not disclose donor names).

1432 donors gave \$1,290,541

Sources of Organizational Support: Top 5 Sources*

Provide your organization's top 5 sources of revenue from the prior fiscal year (PFY) and the amount (e.g., Texas Health & Human Services contract, \$250,000).

Net Café and Shop Revenue \$838,348
Public Support (donations) \$717,991
Program Fees (tuition) \$633,474
Annual Art Auction \$583,104
Golf Benefit \$347,091

Citations, Acknowledgement & Assurance

Additional Information and Research Citations (optional)

Upload any critical details about your organization or program(s) not already included within this application that will strengthen your case for funding (no marketing material, please). This attachment may also be used to cite any statistics/research, and to define key terms and/or acronyms.

Additional Information and Research Citations.docx

Acknowledging GHF*

Type your name and date in the space below to assure that if funded, the organization will acknowledge GHF on all related marketing materials, your website, social media, and in any other communications in which this program is promoted.

Tim Curtis 4/6/2021

Assurance*

Type your name and date in the space provided to assure that by submitting this application, you 1) confirm that the information herein is true and correct, 2) confirm that if funded, funds will be spent according to the budget listed in this application, and 3) confirm that the organization will submit interim and final reports as required.

Tim Curtis 4/6/2021

File Attachment Summary

Applicant File Uploads

- BiG FY20 Balance Sheet.pdf
- BiG FY20 Income Statement.pdf
- Actual to Budget Income Statement FY20.pdf
- Current Year-to-Date Financials to include Balance Sheet and Income Statement.pdf
- F2021 Budget by Department and Campus.xlsx
- BiG FY20 Final Audited Financial Statements.pdf
- Additional Information and Research Citations.docx

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statement of Financial Position

July 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,577,659	\$ 5,048,385
Accounts receivable, net	-	700,943
Inventory	260,127	250,176
Prepaid expenses and other assets	14,735	31,485
Property and equipment, net	4,994,372	2,891,470
Total assets	<u>\$ 10,846,893</u>	<u>\$ 8,922,459</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 144,552	\$ 212,569
Current portion of related party note payable	100,000	-
Total current liabilities	<u>244,552</u>	<u>212,569</u>
 Note payable	 265,800	 -
Related party note payable, net of current portion	300,000	500,000
Total liabilities	<u>810,352</u>	<u>712,569</u>
 Net Assets		
Without donor restrictions (Note 4)		
Board designated	2,180,354	1,665,493
Undesignated	6,617,733	3,702,891
Total without donor restrictions	<u>8,798,087</u>	<u>5,368,384</u>
With donor restrictions (Note 4)	1,238,454	2,841,506
Total net assets	<u>10,036,541</u>	<u>8,209,890</u>
 Total liabilities and net assets	 <u>\$ 10,846,893</u>	 <u>\$ 8,922,459</u>

BROOKWOOD IN GEORGETOWN**Income Statment**

For the Year Ended July 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Revenues			
Vocational program fees, net of financial assistance of \$95,701	\$ 633,474	\$ -	\$ 633,474
Residential program fees	186,850	-	186,850
Vocational program retail sales	838,348	-	838,348
Capital campaign	500,000	45,366	545,366
In-Kind donations	84,670	80,237	164,907
Public support	807,561	31,675	839,236
Golf benefit	347,091	-	347,091
Grant awards	171,226	56,449	227,675
Art auction	84,154	498,950	583,104
Other revenue	83,349	-	83,349
Net assets released from restriction	2,315,729	(2,315,729)	-
Total revenue and support	<u>6,052,452</u>	<u>(1,603,052)</u>	<u>4,449,400</u>
Expenses			
Program services			
Programs	<u>2,223,258</u>	<u>-</u>	<u>2,223,258</u>
Total program services	<u>2,223,258</u>	<u>-</u>	<u>2,223,258</u>
Supporting services			
General and administrative	225,247	-	225,247
Fundraising	174,244	-	174,244
Total supporting services	<u>399,491</u>	<u>-</u>	<u>399,491</u>
Total expenses	<u>2,622,749</u>	<u>-</u>	<u>2,622,749</u>
Change in net assets	3,429,703	(1,603,052)	1,826,651
Net assets at beginning of year	<u>5,368,384</u>	<u>2,841,506</u>	<u>8,209,890</u>
Net assets at end of year	<u>\$ 8,798,087</u>	<u>\$ 1,238,454</u>	<u>\$ 10,036,541</u>

BROOKWOOD IN GEORGETOWN

Statement of Activities

For the Year Ended July 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
Revenues			
Vocational program fees, net of financial assistance of \$91,861	\$ 537,837	\$ -	\$ 537,837
Vocational program retail sales	1,001,285	-	1,001,285
Capital campaign	1,211,008	2,103,950	3,314,958
In-Kind donations	45,800	-	45,800
Public support	250,786	-	250,786
Golf benefit	295,949	-	295,949
Grant Awards	25,000	28,249	53,249
Art auction	270,626	198,135	468,761
Other revenue	30,629	-	30,629
Net assets released from restriction	366,722	(366,722)	-
Total revenue and support	<u>4,035,642</u>	<u>1,963,612</u>	<u>5,999,254</u>
Expenses			
Program services			
Programs	<u>2,105,516</u>	<u>-</u>	<u>2,105,516</u>
Total program services	<u>2,105,516</u>	<u>-</u>	<u>2,105,516</u>
Supporting services			
General and administrative	100,875	-	100,875
Fundraising	149,407	-	149,407
Total supporting services	<u>250,282</u>	<u>-</u>	<u>250,282</u>
Total expenses	<u>2,355,798</u>	<u>-</u>	<u>2,355,798</u>
Change in net assets	1,679,844	1,963,612	3,643,456
Net assets at beginning of year	<u>3,688,540</u>	<u>877,894</u>	<u>4,566,434</u>
Net assets at end of year	<u>\$ 5,368,384</u>	<u>\$ 2,841,506</u>	<u>\$ 8,209,890</u>

**Brookwood in Georgetown Vocational
Comparative Statement of Activity: Budget to Actual (non-GAAP*)**

	Year Ended July 31, 2020	Fiscal 2020 Budget	\$ Change	% Change
OPERATING REVENUE				
PROGRAM REVENUE				
Tuition Revenue-Receipts	\$ 629,624	\$ 747,100	\$ (117,476)	-15.72%
Tuition Revenue-Tuition Remission	95,701	125,000	(29,299)	-23.44%
Application Fee	1,050	1,500	(450)	-30.00%
Enrollment Fee	2,800	7,500	(4,700)	-62.67%
Total Program Revenue	729,175	881,100	(151,925)	-17.24%
RESIDENTIAL REVENUE				
Pre-Pilot Residential Fees	181,500	187,450	(5,950)	-3.17%
Residential Application Fees	5,350	7,500	(2,150)	-28.67%
Total Residential Revenue	186,850	194,950	(8,100)	-4.15%
ENTERPRISE REVENUE				
	838,349	1,050,000	(211,651)	-20.16%
LESS COST OF GOODS SOLD	344,396	481,500	(137,104)	-28.47%
Gross Profit from Enterprise Revenue	493,953	568,500	(74,547)	-13.11%
INTEREST				
	74,504	25,000	49,504	198.02%
RENTAL INCOME	11,487	-	11,487	-
Total Operating Revenue	1,495,969	1,669,550	(185,068)	-11.08%
OPERATING EXPENSE				
Tuition Remission Awarded	95,701	125,000	(29,299)	-23.44%
Payroll & Payroll Tax Expense	1,481,449	1,571,961	(90,512)	-5.76%
Health Insurance	64,414	85,900	(21,486)	-25.01%
Contract Services	55,832	50,000	5,832	11.66%
Facilities and Equipment	90,055	90,021	34	0.04%
Insurance	51,262	49,774	1,488	2.99%
Other Operations	233,143	314,646	(81,503)	-25.90%
Total Operating Expense	2,071,856	2,287,302	(215,446)	-9.42%
NON-OPERATING EXPENSE				
Interest Expense	8,834	10,000	(1,166)	-11.66%
Loss on Disposal of Fixed Asset	1,430	-	1,430	-
Total Operating & Non-Operating Expense	2,082,120	2,297,302	(215,182)	-9.37%
Loss before Donations & Event Revenue	(586,151)	(627,752)	30,114	-4.80%
DONATIONS & EVENT REVENUE (NET)				
Public Support	788,693	400,000	388,693	97.17%
In Kind Donations	119,307	-	119,307	-
Golf Benefit	343,621	300,000	43,621	14.54%
Art Auction	524,780	450,000	74,780	16.62%
Welcome Home Fund	29,675	-	29,675	-
Grants Awarded	246,449	100,000	146,449	146.45%
Total Donations & Event Revenue	2,052,525	1,250,000	802,525	64.20%
NET OVERALL GAIN	\$ 1,466,374	\$ 622,248	\$ 832,639	133.81%

*Comparative Statement of Activity presented without depreciation.

**Brookwood in Georgetown Vocational
Comparative Statement of Activity (non-GAAP*)
Six Months Ended January 31**

	2021	2020	\$ Change	% Change
OPERATING REVENUE				
PROGRAM REVENUE				
Tuition Revenue-Receipts	\$ 333,376	\$ 326,290	\$ 7,086	2.17%
Tuition Revenue-Tuition Remission	47,173	46,768	405	0.87%
Application Fee	650	500	150	30.00%
Enrollment Fee	2,451	1,800	651	36.17%
Total Program Revenue	383,650	375,358	8,292	2.21%
RESIDENTIAL REVENUE				
Pre-Pilot Residential Fees-Receipts	93,000	88,000	5,000	5.68%
Pre-Pilot Residential Fees-Financial Assistance	6,000	-	6,000	-
Residential Application Fees	-	4,300	(4,300)	-100.00%
Total Residential Revenue	99,000	92,300	6,700	7.26%
ENTERPRISE REVENUE	536,836	588,311	(51,475)	-8.75%
LESS COST OF GOODS SOLD	203,766	222,471	(18,705)	-8.41%
Gross Profit from Enterprise Revenue	333,070	365,840	(32,770)	-8.96%
OTHER REVENUE				
Consulting Fees	500	-	500	-
Rental Revenue	15,600	-	15,600	-
Total Operating Revenue	831,820	833,498	(1,678)	-0.20%
INTEREST & DIVIDEND INCOME	12,699	37,131	(24,432)	-65.80%
Total Revenue	844,519	870,629	(26,110)	-3.00%
OPERATING EXPENSE				
Tuition Remission Awarded	47,173	46,768	405	0.87%
Residential Financial Assistance	6,000	-	6,000	-
Payroll & Payroll Tax Expense	734,704	739,373	(4,669)	-0.63%
Health Insurance	36,285	29,430	6,855	23.29%
Contract Services	34,899	27,107	7,792	28.75%
Facilities and Equipment	50,194	44,430	5,764	12.97%
Insurance	25,268	18,606	6,662	35.81%
Other Operations	146,293	113,726	32,567	28.64%
Total Operating Expense	1,080,816	1,019,440	61,376	6.02%
INTEREST EXPENSE	3,833	-	3,833	-
Total Operating & Non-Operating Expense	1,084,649	1,019,440	65,209	6.40%
Loss before Donations & Event Revenue	(240,130)	(148,811)	(91,319)	61.37%

DONATIONS & EVENT REVENUE (NET)

Public Support	448,694	508,086	(59,392)	-11.69%
Program Expansion	15,000	-	15,000	-
Welcome Home Fund	29,130	27,100	2,030	7.49%
Golf Benefit	478,639	319,580	159,059	49.77%
Art Auction	50,606	83,118	(32,512)	-39.12%
Grants Awarded	131,116	36,449	94,667	259.72%
In Kind Donations	8,835	12,000	(3,165)	-26.38%
Total Donations & Event Revenue	1,162,020	986,333	175,687	17.81%
NET OVERALL GAIN	\$ 921,890	\$ 837,522	\$ 84,368	10.07%

CAPITAL CAMPAIGN/GRACE PLACE

\$ 280,000	\$ 510,250	\$ (230,250)	-45.12%
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*Comparative Statement of Activity presented without depreciation.

F'2021 depreciation expense is approximately \$116,000 for six months

Brookwood in Georgetown Vocational
Comparative Statement of Financial Position (Non-GAAP)
As of January 31

	2021	2020	\$ Change	% Change
ASSETS				
Current Assets				
Cash	\$ 6,390,227	\$ 5,564,283	\$ 825,944	14.8%
Other Current Assets				
Pledges and Other Receivables	4,971	-	4,971	-
Deposit	122,695	27,007	95,688	354.3%
Prepaid Asset	10,073	4,428	5,645	127.5%
Inventory	273,254	275,740	(2,486)	-0.9%
Total Other Current Assets	410,993	307,175	103,818	33.8%
Total Current Assets	6,801,220	5,871,458	929,762	15.8%
Fixed Assets	5,908,648	5,001,066	907,582	18.1%
Accumulated Depreciation	(763,966)	(616,405)	(147,561)	23.9%
Total Fixed Assets, Net	5,144,682	4,384,661	760,021	17.3%
TOTAL ASSETS	11,945,902	10,256,119	1,689,783	16.5%
LIABILITIES				
Current Liabilities				
Accounts Payable	53,147	181,362	(128,214)	-70.7%
Other Current Liabilities				
Deferred Revenue - Gift Cards	23,544	10,698	12,847	120.1%
Sales Tax Payable	4,151	3,651	500	13.7%
Accrued Payroll & Benefits	54,496	96,323	(41,827)	-43.4%
Interest Payable	6,334	5,833	501	8.6%
Total Other Current Liabilities	88,525	116,505	(27,979)	-24.0%
Total Current Liabilities	141,672	297,867	(156,193)	-52.4%
Long-Term Liabilities				
Note Payable BWC	300,000	400,000	(100,000)	-25.0%
Note Payable SBA PPP Loan	265,800	-	265,800	-
Total Long-Term Liabilities	565,800	400,000	165,800	41.5%
Total Liabilities	707,472	697,867	9,605	1.4%
EQUITY				
Capital Campaign	2,867,411	3,315,693	(448,282)	-13.5%
Tuition Remission Fund	324,631	205,152	119,479	58.2%
Welcome Home Fund	428,755	27,100	401,655	1482.1%
Pre-Pilot Residential Fund	2,286	-	2,286	-
Unrestricted Net Assets	7,615,347	6,010,307	1,605,040	26.7%
Total Equity	11,238,430	9,558,252	1,680,178	17.6%
TOTAL LIABILITIES AND EQUITY	\$ 11,945,902	\$ 10,256,119	\$ 1,689,783	16.5%

**Brookwood in Georgetown Vocational
Operations Budget by Location*
Fiscal 2021**

	Georgetown Main Campus Fiscal 2021 Budget	Georgetown LIGHT Fiscal 2021 Budget	Georgetown Residential Fiscal 2021 Budget	Georgetown Shop and Café Fiscal 2021 Budget
REVENUE				
Tuition Income				
Tuition Income-Receipts	\$ 475,300	\$ 166,000	\$ -	\$ -
Tuition Income-Tuition Remission	72,100	35,500	12,000	
Application Fee	500	500	-	-
Enrollment Fee	1,900	2,500	-	-
Total Tuition Income	549,800	204,500	12,000	-
Total Residential Fees	-	-	192,000	-
Enterprise Revenue	84,000	53,000	-	645,500
Cost of Goods Sold				
Cost of Goods Sold	12,600	15,800	-	269,800
Freight In	-	500	-	7,200
Total Cost of Goods Sold	12,600	16,300	-	277,000
Gross Profit on Enterprise Revenue	71,400	36,700	-	368,500
Rental Fees	-	-	-	14,200
Interest & Other Income	-	-	-	-
Total Revenue Net of Cost of Goods Sold	621,200	241,200	204,000	382,700
OPERATING EXPENSE				
Tuition Remission (Scholarships) Awarded	72,100	35,500	12,000	-
Payroll Expense	372,300	152,200	112,800	305,400

Citizen Payroll	64,700	63,800	-	-
Health Insurance	24,300	7,200	9,600	18,000
Contract Services	3,600	-	-	7,600
Facilities and Equipment Insurance	-	600	53,200	4,600
Utilities	7,200	-	14,250	23,700
Other Operations	9,100	3,500	18,150	69,600
Total Operating Expense	553,300	262,800	220,000	428,900
NON-OPERATING EXPENSE				
Interest Expense	-	-	-	-
Board Designated for Grace Place	-	-	-	-
Total Non-Operating Expense	-	-	-	-
Gain (Loss) before Donations & Event Revenue	67,900	(21,600)	(16,000)	(46,200)
DONATIONS & EVENT REVENUE				
Public Support	-	-	-	35,000
Golf Benefit	-	-	-	-
Art from the Heart Auction	-	-	-	-
Welcome Home Fund	-	-	-	-
Grants Awarded	-	-	-	-
Total Donations & Event Revenue	-	-	-	35,000
Net Overall Gain (Loss)	\$ 67,900	\$ (21,600)	\$ (16,000)	\$ (11,200)

*Presented without depreciation

Georgetown Administration Fiscal 2021 Budget	Total Georgetown Fiscal 2021 Budget	Austin Bee Cave Fiscal 2021 Budget	Total Fiscal 2021 Budget
\$ -	\$ 641,300	\$ 95,700	\$ 737,000
	119,600	20,000	139,600
-	1,000	600	1,600
-	4,400	2,000	6,400
-	766,300	118,300	\$ 884,600
-	192,000	-	192,000
-	782,500	29,400	811,900
-	298,200	5,900	304,100
-	7,700	-	7,700
-	-	5,900	311,800
-	782,500	23,500	500,100
31,200	45,400	-	45,400
23,400	23,400	-	23,400
54,600	1,809,600	141,800	1,645,500
-	119,600	20,000	139,600
463,000	1,405,700	100,000	1,505,700

-	128,500	34,600	163,100
19,200	78,300	6,500	84,800
44,000	55,200	-	55,200
13,200	71,600	1,200	72,800
48,000	48,000	-	48,000
16,000	61,150	-	61,150
57,400	157,750	2,600	160,350
660,800	2,125,800	164,900	2,290,700
6,800	6,800	-	6,800
973,400	973,400	-	973,400
6,800	6,800	-	980,200
(613,000)	(628,900)	(23,100)	(1,625,400)
500,000	535,000	-	535,000
300,700	300,700	-	300,700
500,700	500,700	-	500,700
25,000	25,000	-	25,000
264,000	264,000	-	264,000
1,590,400	1,625,400	-	1,625,400
\$ 977,400	\$ 996,500	(23,100)	\$ -



BROOKWOOD IN GEORGETOWN VOCATIONAL
Financial Statements
(With Independent Auditors' Report)
July 31, 2020 and 2019



Independent Auditor's Report

To the Board of Directors
of Brookwood in Georgetown Vocational

We have audited the accompanying financial statements of Brookwood in Georgetown Vocational (a Texas nonprofit corporation), which comprise the statements of financial position as of July 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 Brookwood in Georgetown Vocational as of July 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bauer & Company, LLC

BAUER & COMPANY, LLC

Austin, Texas

November 12, 2020

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statements of Financial Position

July 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,577,659	\$ 5,048,385
Accounts receivable, net	-	700,943
Inventory	260,127	250,176
Prepaid expenses and other assets	14,735	31,485
Property and equipment, net	4,994,372	2,891,470
Total assets	<u>\$ 10,846,893</u>	<u>\$ 8,922,459</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 144,552	\$ 212,569
Current portion of related party note payable	100,000	-
Total current liabilities	<u>244,552</u>	<u>212,569</u>
 Note payable	 265,800	 -
Related party note payable, net of current portion	300,000	500,000
Total liabilities	<u>810,352</u>	<u>712,569</u>
 Net Assets		
Without donor restrictions (Note 4)		
Board designated	2,180,354	1,665,493
Undesignated	6,617,733	3,702,891
Total without donor restrictions	<u>8,798,087</u>	<u>5,368,384</u>
With donor restrictions (Note 4)	1,238,454	2,841,506
Total net assets	<u>10,036,541</u>	<u>8,209,890</u>
 Total liabilities and net assets	 <u>\$ 10,846,893</u>	 <u>\$ 8,922,459</u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statement of Activities

For the Year Ended July 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Revenues			
Vocational program fees, net of financial assistance of \$95,701	\$ 633,474	\$ -	\$ 633,474
Residential program fees	186,850	-	186,850
Vocational program retail sales	838,348	-	838,348
Capital campaign	500,000	45,366	545,366
In-Kind donations	84,670	80,237	164,907
Public support	807,561	31,675	839,236
Golf benefit	347,091	-	347,091
Grant awards	171,226	56,449	227,675
Art auction	84,154	498,950	583,104
Other revenue	83,349	-	83,349
Net assets released from restriction	2,315,729	(2,315,729)	-
Total revenue and support	<u>6,052,452</u>	<u>(1,603,052)</u>	<u>4,449,400</u>
Expenses			
Program services			
Programs	2,223,258	-	2,223,258
Total program services	<u>2,223,258</u>	<u>-</u>	<u>2,223,258</u>
Supporting services			
General and administrative	225,247	-	225,247
Fundraising	174,244	-	174,244
Total supporting services	<u>399,491</u>	<u>-</u>	<u>399,491</u>
Total expenses	<u>2,622,749</u>	<u>-</u>	<u>2,622,749</u>
Change in net assets	3,429,703	(1,603,052)	1,826,651
Net assets at beginning of year	<u>5,368,384</u>	<u>2,841,506</u>	<u>8,209,890</u>
Net assets at end of year	<u>\$ 8,798,087</u>	<u>\$ 1,238,454</u>	<u>\$ 10,036,541</u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statement of Activities

For the Year Ended July 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
Revenues			
Vocational program fees, net of financial assistance of \$91,861	\$ 537,837	\$ -	\$ 537,837
Vocational program retail sales	1,001,285	-	1,001,285
Capital campaign	1,211,008	2,103,950	3,314,958
In-Kind donations	45,800	-	45,800
Public support	250,786	-	250,786
Golf benefit	295,949	-	295,949
Grant Awards	25,000	28,249	53,249
Art auction	270,626	198,135	468,761
Other revenue	30,629	-	30,629
Net assets released from restriction	366,722	(366,722)	-
Total revenue and support	<u>4,035,642</u>	<u>1,963,612</u>	<u>5,999,254</u>
Expenses			
Program services			
Programs	<u>2,105,516</u>	<u>-</u>	<u>2,105,516</u>
Total program services	<u>2,105,516</u>	<u>-</u>	<u>2,105,516</u>
Supporting services			
General and administrative	100,875	-	100,875
Fundraising	149,407	-	149,407
Total supporting services	<u>250,282</u>	<u>-</u>	<u>250,282</u>
Total expenses	<u>2,355,798</u>	<u>-</u>	<u>2,355,798</u>
Change in net assets	1,679,844	1,963,612	3,643,456
Net assets at beginning of year	<u>3,688,540</u>	<u>877,894</u>	<u>4,566,434</u>
Net assets at end of year	\$ <u><u>5,368,384</u></u>	\$ <u><u>2,841,506</u></u>	\$ <u><u>8,209,890</u></u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statements of Functional Expenses

For the Years Ended July 31, 2020 and 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2020 Expenses</u>	<u>Total 2019 Expenses</u>
Salaries, benefits and payroll taxes	\$ 1,229,855	\$ 201,705	\$ 106,782	\$ 1,538,342	\$ 1,293,929
Cost of goods sold	344,652	-	445	345,097	465,039
Supplies	95,708	729	182	96,619	61,668
Facilities and equipment	134,273	1,141	241	135,655	67,209
Contract services	54,409	3,213	454	58,076	44,525
Printing and publications	3,904	-	-	3,904	3,068
Licenses and permits	3,849	2,734	-	6,583	4,291
Public relations and marketing	7,432	-	1,776	9,208	6,080
Fundraising events	1,828	-	48,421	50,249	60,200
Bank and credit card processing fees	19,071	3,028	12,536	34,635	33,038
Insurance	48,935	2,060	515	51,510	42,535
Interest	8,834	-	-	8,834	14,851
Depreciation	179,113	7,542	1,885	188,540	164,681
Other	91,395	3,095	1,007	95,497	94,684
	\$ <u>2,223,258</u>	\$ <u>225,247</u>	\$ <u>174,244</u>	\$ <u>2,622,749</u>	\$ <u>2,355,798</u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statement of Functional Expenses

For the Year Ended July 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2019 Expenses</u>
Salaries, benefits and payroll taxes	\$ 1,144,209	\$ 70,556	\$ 79,164	\$ 1,293,929
Cost of goods sold	465,039	-	-	465,039
Supplies	51,695	8,976	997	61,668
Facilities and equipment	67,209	-	-	67,209
Contract services	42,649	1,663	213	44,525
Printing and publications	3,068	-	-	3,068
Licenses and permits	4,291	-	-	4,291
Public relations and marketing	-	-	6,080	6,080
Fundraising events	-	-	60,200	60,200
Bank and credit card processing fees	29,659	3,379	-	33,038
Insurance	41,376	527	632	42,535
Interest	14,851	-	-	14,851
Depreciation	158,024	5,991	666	164,681
Other	83,446	9,783	1,455	94,684
	<u>\$ 2,105,516</u>	<u>\$ 100,875</u>	<u>\$ 149,407</u>	<u>\$ 2,355,798</u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Statements of Cash Flows

For the Years Ended July 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 1,826,651	\$ 3,643,456
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	188,540	164,681
Loss on disposal of property and equipment	1,430	-
Changes in operating assets and liabilities:		
Accounts Receivable	943	3,081
Pledge receivable	700,000	(700,000)
Inventory	(9,951)	(31,916)
Prepaid expenses and other assets	16,750	(13,642)
Accounts payable and accrued expenses	(68,017)	110,664
Net cash provided by operating activities	<u>2,656,346</u>	<u>3,176,324</u>
Cash flows from investing activities		
Cash paid for property and equipment	<u>(2,292,872)</u>	<u>(341,509)</u>
Net cash used in investing activities	<u>(2,292,872)</u>	<u>(341,509)</u>
Cash flows from financing activities		
Proceeds from issuance of notes payable	265,800	(125,000)
Repayment of related party note payable	<u>(100,000)</u>	-
Net cash provided by (used in) financing activities	<u>165,800</u>	<u>(125,000)</u>
Net change in cash and cash equivalents	529,274	2,709,815
Cash and cash equivalents at beginning of year	<u>5,048,385</u>	<u>2,338,570</u>
Cash and cash equivalents at end of year	<u>\$ 5,577,659</u>	<u>\$ 5,048,385</u>
Supplemental disclosure of non cash information:		
Cash paid for interest expense	<u>\$ -</u>	<u>\$ 14,851</u>

See accompanying notes and independent auditors' report.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Brookwood in Georgetown Vocational (the “Organization”) is a Texas non-profit corporation chartered in 2014 to provide an educational environment where adults with functional disabilities (“Citizens”) engage in meaningful work. The Organization’s purpose is to provide opportunity and support for participants to experience the self-confidence and pride that results from completing significant job tasks, and ultimately contributing to the success of the Organization. Through innovative enterprises that have been strategically modified and adapted, the Organization enriches the lives of adults with special needs and allows them to continue to grow socially, emotionally, and spiritually.

Summary of Significant Accounting Policies

Basis of Presentation - The Organization’s financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States (GAAP) for not-for-profit organizations. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization’s net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consists of amounts that are available for use in carrying out the supporting activities of the Organization and are not subject to donor-imposed stipulations.

Net assets with donor restrictions – consists of amounts that are subject to donor-imposed stipulations that will be met by the Organization’s actions or the passage of time. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents consist of checking accounts, certificates of deposit and money market accounts. The Organization considers all highly liquid investments with an original maturity of three months or less, purchased for use primarily in operations, to be cash equivalents.

Receivables – Accounts receivable, grants receivable and pledges receivable consist of amounts due from uncollected tuition, grants and pledges. The Organization reviews the receivables periodically throughout the year. All pledges receivable are recorded at fair value, net of estimated uncollectible amounts, and discounted for those amounts due in over one year. As of July 31, 2020 and 2019, the amount of receivables deemed uncollectible was not material; therefore, the allowance for doubtful accounts was \$0. The Organization recognized bad debt expense of \$0 for the years ended July 31, 2020 and 2019, respectively.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

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

Contributions - Contributions received (including unconditional promises to give) are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Conditional promises to give are recognized as the conditions upon which they depend are substantially met. Promises to give are recognized as revenue only if sufficient evidence exists in the form of verifiable documentation that a promise was made and received.

Contributed Service and Assets - Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed goods are recognized at fair market value on the date received. During the years ended July 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and no amounts have been recorded. Although individuals volunteer their time and perform a variety of tasks that assist the Organization, these services do not meet the criteria for recognition as contributed services. The Organization received the use of program facility space during the years ended July 31, 2020 and 2019 with an estimated fair value of \$45,600 and \$45,800, respectively. The Organization received vehicles with an estimated fair value of \$18,458, construction materials for a new building with an estimated fair value of \$80,237 and equipment with an estimated fair value of \$20,612 during the year ended July 31, 2020. The Organization reports contributions of long-lived assets as without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of assets with explicit restrictions that specify how the assets are to be used are accounted for as donor restricted support. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Vocational and Residential Program Fees - Vocational and residential program fees are reported at the net realizable amounts for billings to Citizens for services rendered, net of financial assistance provided by the Organization. Program fees are generally charged on a monthly basis during the month the program services are delivered.

Property and Equipment - Property and equipment are reported at cost if purchased and at the estimated fair value at the date of gift if donated. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Organization has a policy of only capitalizing depreciable assets purchased at or over \$3,500, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Buildings and building improvements	15 – 39 years
Land improvements	15 years
Furniture, fixtures, and equipment	1 – 15 years
Vehicles	2 – 5 years

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

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

Inventory - Inventory consists of raw materials, products handcrafted by the Citizens of the Organization and merchandise purchased by the Organization and held for resale. Inventory is sold to the general public and wholesale customers. Inventory is valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventory at July 31, 2020 and 2019 is comprised of the following:

	<u>2020</u>	<u>2019</u>
Finished goods	\$ 219,320	\$ 210,936
Raw materials	40,807	39,240
Total inventory	<u>\$ 260,127</u>	<u>\$ 250,176</u>

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the Organization had no significant amounts for the years ended July 31, 2020 and 2019, is subject to federal income taxes. Accordingly, there is no provision or liability for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by Internal Revenue Service. Management has analyzed the tax positions taken by the plan, and has concluded that as of July 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Organization files informational returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal tax examinations by tax authorities for three years from the filing date.

Functional Allocation of Expenses - The cost of providing the various programs and activities of the Organization are presented on a functional basis in the statement of activities. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, telephone, building maintenance and depreciation, which are allocated on an occupied space basis, salaries and benefits, which are allocated based on estimates of time and effort, and contract services which are allocated on estimated usage.

Concentration of Credit Risk - The Organization maintains cash balances at high quality, federally insured financial institutions. At various times during the years ended July 31, 2020 and 2019, balances in these accounts may have exceeded Federal Deposit Insurance Corporation (FDIC) insured limits. The Organization has not experienced and does not anticipate any credit losses on these deposits.

Fair Value of Financial Instruments - The carrying value of certain financial instruments, including cash, cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value due to the short maturity of these instruments.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

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

Recent Financial Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize on its balance sheet a right-of-use asset and a lease liability under most operating leases. In April 2020, the FASB deferred implementation of the ASU which is now effective for new leases entered into after August 1, 2022. Early adoption is permitted. The Organization is currently evaluating the effects that the adoption of this ASU 2016-02 will have on its financial position, results of operations, or cash flows.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major change includes providing a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each category of nonfinancial assets, a nonprofit organization will also disclose the following: (a) qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used shall be disclosed (b) the nonprofit organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets (c) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets (d) a description of the valuation techniques and inputs used to arrive at a fair value measure, at initial recognition (e) the principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient nonprofit organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The Organization has elected to adopt ASU 2020-07 effective August 1, 2019.

Subsequent Events - The Organization has evaluated subsequent events through November 12, 2020, the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability of Resources

The Organization has approximately \$5.6 million of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash. Approximately \$1.2 million of the financial assets are subject to donor restrictions that make them unavailable for general expenditures. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expense, which are, on average, approximately \$437,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Organization evaluates whether cash in excess of daily requirements should be invested in various short-term investments, including certificates of deposit and short-term treasury instruments. As of July 31, 2020, all cash and cash equivalents were invested in checking accounts, certificates of deposit or money market accounts.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

Note 2 – Liquidity and Availability of Resources *(continued)*

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has continued to spread and has already caused severe global disruptions. The extent of COVID-19’s effect on the Organization’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As of the date of the independent auditors’ report, the Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Organization’s financial position, results of operations, and cash flows in fiscal year 2021.

Note 3 – Property and Equipment

Property consists of the following as of July 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,071,944	\$ 687,713
Land improvements	198,525	13,582
Buildings	3,949,112	2,082,194
Furniture and equipment	271,684	155,207
Vehicles	214,589	196,131
Construction in progress	52,484	373,048
Property and equipment, at cost	<u>5,758,338</u>	<u>3,507,875</u>
Accumulated depreciation	<u>(763,966)</u>	<u>(616,405)</u>
Property and equipment, net	<u>\$ 4,994,372</u>	<u>\$ 2,891,470</u>

For the years ended July 31, 2020 and 2019, depreciation expense totaled \$188,540 and \$164,681, respectively.

Note 4 – Net Assets

Net assets without donor restrictions

As of July 31, 2020 and 2019, the Organization’s board of directors designated net assets without donor restrictions as follows:

	<u>2020</u>	<u>2019</u>
Board designated capital campaign	\$ 1,931,387	\$ 1,431,387
Board designated scholarship fund	248,967	234,106
Total net assets with Board designated restrictions	<u>\$ 2,180,354</u>	<u>\$ 1,665,493</u>

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

Note 4 – Net Assets (continued)

During the years ended July 31, 2020 and 2019, net assets without donor restrictions were released from Board designated restrictions as follows:

	<u>2020</u>	<u>2019</u>
Beginning net assets with Board restrictions	\$ 1,665,493	\$ 243,017
Additions to net assets for capital campaign	500,000	1,335,006
Additions to net assets for vocational scholarship fund	84,113	151,082
Capital campaign construction	-	-
Citizen vocational scholarships awarded	(69,252)	(63,612)
Total net assets with Board restrictions	<u>\$ 2,180,354</u>	<u>\$ 1,665,493</u>

Net assets with donor restrictions

As of July 31, 2020 and 2019, net assets with donor restrictions of \$1,238,454 and \$2,841,506 are restricted to Citizen tuition scholarships and capital campaign for constructing new program facilities. The net assets with donor restrictions of the Organization as of July 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Capital campaign	\$ 707,829	\$ 2,841,506
Vocational scholarship fund	100,000	-
Residential scholarship fund	430,625	-
Total net assets with donor restrictions	<u>\$ 1,238,454</u>	<u>\$ 2,841,506</u>

During the years ended July 31, 2020 and 2019, net assets with donor restrictions were released from donor restrictions by incurring qualifying expenses that satisfied the donor restriction as follows:

	<u>2020</u>	<u>2019</u>
Beginning net assets with donor restrictions	\$ 2,841,506	\$ 877,894
Additions to donor restricted net assets for capital campaign	125,603	2,302,085
Additions to donor restricted net assets for vocational scholarships	126,449	28,249
Additions to donor restricted net assets for payroll	30,000	-
Additions to donor restricted net assets for residential scholarships	430,625	-
Capital campaign construction	(2,259,280)	(338,473)
Citizen vocational scholarships awarded	(26,449)	(28,249)
Payroll expensed	(30,000)	-
Total net assets with donor restrictions	<u>\$ 1,238,454</u>	<u>\$ 2,841,506</u>

Note 5 – Pledges Receivable

Pledges are stated at their realizable value, net of a discount on long-term pledges. As of July 31, 2020 and 2019, no discount was considered necessary due to the short-term nature of the pledge receivable. As of July 31, 2020 and 2019, pledges receivable are \$0 and \$700,000, respectively. The July 31, 2019 receivable was collected in August 2019.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

Note 6 – Contributed Nonfinancial Assets

The value of contributed nonfinancial assets recognized within the statement of activities for the years ended July 31, 2020 and 2019 included:

	<u>2020</u>	<u>2019</u>
Facility space	\$ 45,600	\$ 45,800
Vehicles	18,458	-
Construction materials	80,237	-
Equipment	20,612	-
Total contributed nonfinancial assets	<u>\$ 164,907</u>	<u>\$ 45,800</u>

The Organization recognized contributed nonfinancial assets within revenue, including contributed facility space, vehicles, construction materials and equipment. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed facility space is used for program activities. In valuing the contributed facility space, the Organization estimated the fair value on the basis of recent comparable rent prices for similar facility space.

Contributed vehicles are evaluated for practical and functional use by the Organization. Contributed vehicles that are deemed practical and functional are placed into service and utilized by the program. The Organization estimated the fair value on the basis of recent comparable sale prices for similar vehicles. Contributed vehicles that are not practical and functional for the Organization are sold at auction and valued according to the actual cash proceeds on their disposition. No vehicles received during the period were restricted for use.

Contributed construction materials were used in the interior finish-out construction phase of a new building and include cabinetry and related products. In valuing the items, the Organization estimated the fair value on the basis of the estimate provided by the donating vendor. The items received were restricted by the donor in the construction of the building and construction of the donated materials was completed during the year ended July 31, 2020.

Contributed equipment was utilized by the program. In valuing the equipment, the Organization estimated the fair value on the basis of the estimate provided by the donating vendor. No equipment received during the period was restricted for use.

Note 7 – Note Payable

In April 2020, the Organization received a Paycheck Protection Program (“PPP”) loan from the United States Small Business Administration for \$265,800. The PPP loan has an interest rate of 1.0% and is due in two years. However, if the Organization meets certain criteria related to the use of funds and maintains employment levels, then potentially all of the loan principal and accrued interest will be forgiven and no repayment will be required. Unforgiven principal and interest payments begin in October 2020. As of the date of the Independent Auditors’ Report, the Organization is in process of filing for forgiveness.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

Note 8 – Related Party Transactions

Prior to the legal formation of the Organization, the Organization operated under The Brookwood Community (“Brookwood”), a Texas non-profit corporation. In December 2014, the Organization executed a \$500,000 related party note payable with Brookwood, with an interest rate of 2% and an original maturity date of December 15, 2019. The loan and other contributions from Brookwood were used to purchase a building and adjacent land to operate an educational program for adults with functional disabilities in Georgetown, Texas. On December 15, 2019, the Organization executed a renewal, extension and modification to the existing promissory note payable with Brookwood, which bears interest at 2% and matures on December 31, 2022. As of July 31, 2020 and 2019, the Organization has a related party note payable balance of \$400,000 and \$500,000, respectively.

As of July 31, 2020, the future minimum related party note payable payments are as follows:

Year ended July 31,		
2021	\$	100,000
2022		100,000
2023		200,000
Total minimum related party note payable payments	\$	<u>400,000</u>

Brookwood has representation on the Board of Directors of the Organization but does not have majority representation on the Board.

Note 9 – Commitments and Contingencies

The Organization is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended July 31, 2020 and 2019, the Organization was covered by insurance for these various risks at a reasonable level and a cost considered to be economically justifiable. At July 31, 2020, there were no significant outstanding legal actions or claims against the Organization.

Lease Arrangements

The Organization leases two program facilities and two residential homes under various operating leases expiring in fiscal year 2021.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) are as follows:

Year ended July 31,		
2021	\$	<u>43,331</u>
Total minimum lease payments	\$	<u>43,331</u>

Rent expense under operating leases, including the in-kind rent detailed in Note 6, was \$96,047 and \$47,242 for the years ended July 31, 2020 and 2019, respectively.

BROOKWOOD IN GEORGETOWN VOCATIONAL

Notes to the Financial Statements

July 31, 2020 and 2019

(Continued)

Note 10 – Concentrations

The following is a summary of the percentages of revenue and pledges and donations receivable related to foundations and donors greater than 10% as of and for the year ended July 31, 2020 and 2019:

	2020		2019	
	Percentage of Revenues	Pledges and Donations Receivable	Percentage of Revenues	Pledges and Donations Receivable
Foundation A	-	-	12%	99%
Donor B	11%	-	-	-

Additional Information and Research Citations

From "Proposal Narrative" in LOI

"A recent study finds that positive progress for teens with autism basically stalls after graduation, and problem behaviors such as self-injury and aggression often reappear. It is described as a "perilous phase" for the more than 50,000 people with autism who turn 18 every year."

Source: <https://www.spectrumnews.org/features/deep-dive/twenty-something-free-fall/>

"The World Health Organization reports, 'There is a... growing awareness of the role of work in promoting or hindering mental wellness and its corollary - mental illness.'"

Source: https://www.who.int/mental_health/media/en/712.pdf, p5

From "What are your organization's cash reserves, i.e., days cash on hand?"

"How many months could the organization operate at your continued budget level?"

The events of this past year have reinforced for us the need to maintain an adequate emergency fund. We want to be financially strong enough to handle an economic shutdown like we experienced in 2020, should such a crisis ever arise again. In addition to maintaining our Citizen programs and staff, our responsibilities to our residential Citizens will require that we remain solvent, should dire circumstances present themselves.