

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**

Financial Statements  
and  
Independent Auditors' Report

For the Years Ended June 30, 2023 and 2022

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Innovative Solutions for Disadvantage and Disability, Inc.

### Opinion

We have audited the financial statements of Innovative Solutions for Disadvantage and Disability, Inc. (“the Organization”), which comprise the Statements of Financial Position as of June 30, 2023 and 2022, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Financial Statement section of our report. We are required to be independent of the Organization 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.

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Responsibilities of Management for the Financial Statement

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

*Marshall Jones*

Atlanta, Georgia  
January 18, 2024

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 387,323	\$ 358,860
Grants receivable	89,155	65,388
Other assets	2,210	2,233
<b>Total Current Assets</b>	<b>478,688</b>	426,481
<b>Property and Equipment, net</b>	<b>10,528</b>	13,729
<b>TOTAL ASSETS</b>	<b>\$ 489,216</b>	<b>\$ 440,210</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,320	\$ 9,368
Accrued liabilities	-	1,254
<b>Total Current Liabilities</b>	<b>2,320</b>	10,622
<b>TOTAL LIABILITIES</b>	<b>2,320</b>	10,622
<b>NET ASSETS</b>		
Net assets without donor restrictions	413,247	170,863
Net assets with donor restrictions	73,649	258,725
<b>TOTAL NET ASSETS</b>	<b>486,896</b>	429,588
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 489,216</b>	<b>\$ 440,210</b>

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended June 30, 2023 and 2022

	2023			2022
	Net Assets		Total	Total
	Without Donor Restrictions	With Donor Restrictions		
<b>Revenues</b>				
Grant revenue	\$ 414,132	\$ 225,130	<b>\$ 639,262</b>	\$ 648,557
Contributions	31,184	-	<b>31,184</b>	32,641
In-kind contributions, nonfinancial assets	27,916	-	<b>27,916</b>	23,218
Interest income	675	-	<b>675</b>	162
Special event	40,765	-	<b>40,765</b>	44,318
Net assets released from restrictions	410,206	(410,206)	-	-
<b>Total Revenues</b>	924,878	(185,076)	<b>739,802</b>	748,896
<b>Expenses</b>				
Program services	563,055	-	<b>563,055</b>	489,690
Management and general	66,088	-	<b>66,088</b>	62,513
Fundraising	53,351	-	<b>53,351</b>	52,769
<b>Total Expenses</b>	682,494	-	<b>682,494</b>	604,972
Change in net assets	242,384	(185,076)	<b>57,308</b>	143,924
Net assets – beginning of year	170,863	258,725	<b>429,588</b>	285,664
<b>Net Assets – End of Year</b>	<b>\$ 413,247</b>	<b>\$ 73,649</b>	<b>\$ 486,896</b>	<b>\$ 429,588</b>

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended June 30, 2023 and 2022

	<b>2023</b>			<b>Total Expenses</b>	2022
	Program Services	Management and General	Fundraising		Total Expenses
<b>Functional Expenses</b>					
Salaries and benefits	\$ 387,063	\$ 22,335	\$ 27,512	<b>\$ 436,910</b>	\$ 274,596
Advertising and marketing	360	529	127	<b>1,016</b>	893
Depreciation	-	4,261	-	<b>4,261</b>	3,649
Direct aid	98,361	-	-	<b>98,361</b>	184,779
Donated material	27,916	-	-	<b>27,916</b>	23,218
Insurance	4,278	1,358	753	<b>6,389</b>	6,058
Meeting	2,283	-	-	<b>2,283</b>	2,791
Miscellaneous	1,780	2,531	21	<b>4,332</b>	1,434
Office expense	5,378	1,004	669	<b>7,051</b>	7,390
Postage	1,242	-	-	<b>1,242</b>	1,057
Printing and publications	-	-	-	-	427
Professional fees	150	31,388	-	<b>31,538</b>	40,376
Rent	19,678	2,090	-	<b>21,768</b>	23,554
Special events	-	-	23,810	<b>23,810</b>	17,826
Staff development	2,744	-	-	<b>2,744</b>	3,634
Telephone and internet	6,275	287	459	<b>7,021</b>	6,879
Travel	5,547	305	-	<b>5,852</b>	6,411
<b>Total Functional Expenses</b>	<b>\$ 563,055</b>	<b>\$ 66,088</b>	<b>\$ 53,351</b>	<b>\$ 682,494</b>	<b>\$ 604,972</b>

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<hr/>		
<b>Cash Flows from Operating Activities</b>		
Receipts from grantors and donors	\$ 646,679	\$ 726,977
Payments to vendors	(218,670)	(297,783)
Employee compensation	(439,926)	(289,104)
Interest income	675	162
Receipts from special events	40,765	44,318
<hr/>		
<b>Net Cash Provided by Operating Activities</b>	<b>29,523</b>	<b>184,570</b>
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<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(1,060)	(5,751)
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<b>Net Cash Used in Investing Activities</b>	<b>(1,060)</b>	<b>(5,751)</b>
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Net increase in cash	28,463	178,819
Cash – beginning of year	358,860	180,041
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<b>Cash – End of Year</b>	<b>\$ 387,323</b>	<b>\$358,860</b>
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These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements



**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 1 – DESCRIPTION OF THE ORGANIZATION**

Innovative Solutions for Disadvantage and Disability, Inc. (“ISDD” or “the Organization”) was incorporated as a Georgia not-for-profit voluntary health and welfare organization on April 22, 2004. ISDD's mission is to empower, educate and equip kinship caregivers of disadvantaged children in Metro Atlanta. Kinship families are created when biological parents are unable to raise their children, usually as the result of some unplanned, traumatic event. In these circumstances, children are either placed with relatives whom they know, or with strangers in foster care. The preferred placement is with relatives where children benefit from many protective factors, such as being with family, remaining with other siblings, maintaining a sense of cultural identity, and feeling safe and loved. Kinship families face many challenges, however. Since they are outside of the foster care system, they don't receive the financial support and other benefits that foster families receive. The majority of kinship caregivers are grandparents who many times are out of the workforce due to age or disability. The expense of raising a child a second time around can drain savings and pension accounts. Without the natural parent relationship to the child, kinship caregivers struggle to access unfamiliar educational, social, health and legal systems and have difficulty accessing benefits even when they qualify for them. These stresses can cause a kinship caregiver to feel that there is no choice but to give up a child to foster care.

ISDD is the largest provider of evidence-based comprehensive kinship family support services, the only provider serving the entire Atlanta Metro Area and the only agency specializing in support for families that include children with special needs. Our goal is to ensure that children in kinship care experience safety, stability, permanence and high levels of well-being. Services include case management, support groups for adults, children and teens, parenting classes that focus on the kinship role, in-home tutoring, respite care, guardianship assistance, educational programming, family outings, material assistance (help with food, clothing, school supplies, rent and utility payments, etc...) and a monthly newsletter. All services are provided free of charge. ISDD has been recognized for excellence four times. In 2013, ISDD received the 21st Annual Dr. Martin Luther King, Jr. Community Service Award, in 2021, Generations United presented the Brookdale Foundation Grandfamilies Award and in 2022, United Way of Metro Atlanta awarded ISDD with the Gwinnett Spark Prize, and in 2023 ISDD received the Janet Sainer RAPP (Relatives as Parents Program) Award from the Brookdale Foundation Group.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Statement Presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

(Continued)

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Financial Statement Presentation (Continued)

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

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. As of June 30, 2023 and 2022, net assets with donor-imposed restrictions represent unexpended contributions in cash and receivables for family support services.

Property and Equipment

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Any donations of property and equipment are also recorded as support in the Statements of Activities at their estimated fair value. Depreciation is computed over the estimated useful lives (5-7 years) of the assets using the straight-line method.

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized.

Grants Receivable

Grants receivable are recognized as revenue and assets in the period the promises to give are acknowledged. Conditional grants receivable, if any, are not recognized until the conditions on which the grants depend are substantially met.

Receivable are stated at unpaid balances, less an allowance for doubtful accounts. ISDD provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of clients to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

(Continued)

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 2 – SUMMARY OF ACCOUNTING POLICIES** (Continued)

Revenue Recognition

A significant portion of the Organization’s grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

In-kind Contributions

Donated materials and other noncash donations are recorded as contributions at their fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance the nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide a significant amount of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

For the year ended June 30, 2023, ISDD recognized contributed nonfinancial assets within revenue of \$27,916 for direct aid expense. For the year ended June 30, 2022, ISDD recognized contributed nonfinancial assets within revenue, including a personal fundraising coach platform of \$6,400, office supplies of \$1,143, and gift cards of \$15,405, utilized for direct aid expense.

Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis. The Statements of Functional Expenses present the functional basis of expenses by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on square footage include facilities, depreciation and amortization, personnel, food costs, and professional services.

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**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 2 – SUMMARY OF ACCOUNTING POLICIES** (Continued)

Tax Exempt Status

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 periods. Actual results could differ from those estimates.

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, contributions, grants, and other receivables. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing.

Amounts due from three grantors totaled 93% of grants receivable at June 30, 2023. Amounts due from one grantor totaled 55% of grants receivable at June 30, 2022. Management believes that there are no foreseeable negative contingencies related to this concentration.

Subsequent Events

The Organization has evaluated subsequent events through the filing date of this report. There are no subsequent events that require disclosure within these notes.

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 3 – LIQUIDITY AND FUNDS AVAILABLE**

ISDD structures their financial assets to be available as their general expenditures, liabilities, and other obligations come true. In addition to financial assets available to meet general expenditures over the next twelve months, ISDD utilizes an operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources. The Organization’s financial assets available within one year of the Statements of Financial Position dates for general expenditures are as follows at June 30,:

	<b>2023</b>	<b>2022</b>
Cash	<b>\$ 387,323</b>	\$ 358,860
Grant receivable	<b>89,155</b>	65,388
	<b>476,478</b>	424,248
Less those unavailable for general expenditures within one year due to:		
Donor restricted net assets	<b>(73,649)</b>	(258,725)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 402,829</b>	\$ 165,523

**NOTE 4 – PROPERTY AND EQUIPMENT**

A summary of property and equipment is as follows for the years ended June 30,:

	<b>2023</b>	<b>2022</b>
Furniture and fixtures	<b>\$ 23,002</b>	\$23,002
Computers	<b>3,046</b>	1,986
	<b>26,048</b>	24,988
Less: Accumulated depreciation	<b>(15,520)</b>	(11,259)
	<b>\$ 10,528</b>	\$13,729

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$4,261 and \$3,649, respectively.

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 5 - REVENUES**

A summary of disaggregated revenue information follows for the years ended June 30,:

	<b>2023</b>	<b>2022</b>
<b>Revenues, Gains and Support</b>		
Grant revenue (non-exchange)		
Government grants	<b>\$ 457,952</b>	\$ 406,964
Foundation grants	<b>10,000</b>	109,300
Corporate and other	<b>171,310</b>	18,750
<hr/>		
Total grant revenue	<b>639,262</b>	535,014
<hr/>		
Contributions (non-exchange)	<b>31,184</b>	117,535
In-kind contributions (non-exchange)	<b>27,916</b>	23,218
Special event contributions (non-exchange)	-	28,649
Special event revenues	<b>40,765</b>	44,318
Interest income (non-exchange)	<b>675</b>	162
<hr/>		
<b>Total Revenues, Gains and Support</b>	<b>\$ 739,802</b>	<b>\$ 748,896</b>

**NOTE 6 – LEASES**

The Organization leases office space accounted for as an operating lease. The lease expired March 31, 2022, and is currently month-to-month. Management is in the process of identifying a new space to lease. Rent expense for the years ended June 30, 2023 and 2022, was \$21,768 and \$23,554, respectively.

**NOTE 7 – RETIREMENT PLAN**

The Organization sponsors a 403(b) plan that covers eligible employees. All employees are considered eligible to participate in this plan as of their hire date.

The plan provides for elective salary deferrals for eligible employees. The Organization might make a discretionary matching contribution equal to a uniform percentage or dollar amount of employee elective deferrals. Additionally, each year the Organization might make a discretionary nonelective contribution for the plan year.

(Continued)

**INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**NOTE 7 – RETIREMENT PLAN** (Continued)

Participants' contributions vest immediately and may be withdrawn upon attainment of 59 and ½ years of age or upon the participants' death, disability, or separation from service. The Organization's matching contributions and nonelective contributions are 100% vested after the employee has reached two years of service.

For the years ended June 30, 2023 and 2022, the Organization's contributions to the plan totaled \$4,464 and \$198, respectively.

These notes should be read only in connection with the  
accompanying financial statements and independent auditors' report.