

The Bridge, Inc.

Financial Statements
For the Year Ended December 31, 2021

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Independent Auditor's Report

Board of Directors
The Bridge, Inc.

Opinion

We have audited the financial statements of The Bridge, Inc. (the Organization), which comprise the statement of assets and net assets arising from cash transactions as of December 31, 2021, the related statements of revenues collected and expenses paid, and functional expenses – cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets arising from cash transactions of The Bridge, Inc. as of December 31, 2021, and its revenues collected and expenses paid during the year then ended in accordance with the cash basis of accounting described in note 2.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 Bridge, Inc.'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 Bridge, Inc.'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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
January 5, 2023

The Bridge, Inc.
Statement of Assets and Net Assets Arising from Cash Transactions
December 31, 2021

Assets Recognized

Cash	\$ 268,866
Total assets recognized	\$ 268,866

Net assets

Without donor restrictions	\$ 268,866
With donor restrictions	<u>-</u>
Total net assets	\$ 268,866

The Bridge, Inc.
Statement of Revenues Collected and Expenses Paid
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues Collected			
Public support			
Contributions	\$ 1,703,586	\$ 30,000	\$ 1,733,586
Other income	-	-	-
Total revenues collected	<u>1,703,586</u>	<u>30,000</u>	<u>1,733,586</u>
Expenses Paid			
Program services	1,116,038	30,000	1,146,038
Management and general	178,924	-	178,924
Fundraising	<u>312,787</u>	<u>-</u>	<u>312,787</u>
Total expenses paid	<u>1,607,749</u>	<u>30,000</u>	<u>1,637,749</u>
Excess of revenue collected over expenses paid	\$ 95,837	\$ -	\$ 95,837

The Bridge, Inc.
Statement of Functional Expenses - Cash Basis
For the Year Ended December 31, 2021

	Program services	Management and general	Fundraising	Total
Payroll	\$ 408,187	\$ 116,607	\$ 116,763	\$ 641,557
Automobile	46,957	-	-	46,957
Bank fees	-	1,217	9,377	10,594
Building and ground maintenance	20,501	1,139	1,139	22,779
Charitable contributions	177,049	-	2,750	179,799
Client appreciation	-	-	10,039	10,039
Communication	6,489	6,686	7,489	20,664
Computer software	3,582	7,378	7,269	18,229
Dues and subscriptions	500	515	500	1,514
Food services	306,180	-	-	306,180
Event rentals and supplies	-	-	115,871	115,871
Insurance	-	12,972	-	12,972
Licenses and permits	1,005	-	-	1,005
Office	39,769	15,964	15,603	71,336
Professional fees	-	9,240	-	9,240
Rent	102,016	5,668	5,668	113,351
Repairs and maintenance	20,504	801	801	22,105
Travel and entertainment	-	-	17,030	17,030
Utilities	13,299	739	739	14,777
Miscellaneous	-	-	1,750	1,750
	\$ 1,146,038	\$ 178,924	\$ 312,787	\$ 1,637,749

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1. Nature of Activities

The Bridge, Inc. (the Organization) exists to alleviate the suffering of underprivileged children, the homeless, and the working poor by providing life-sustaining resources and a message of hope. The Organization is housed in a 17,000 square foot warehouse in Nashville, TN which stores food, clothing, toiletries, and other life sustaining resources for their five weekly outreaches and the monthly Chapel Hill outreach. The Organization also aids schoolchildren on assisted lunch programs by filling their backpacks with food on Friday afternoons so they have food to eat over the weekend.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization's accounts are maintained on a cash basis, and the statement of revenues collected and expenses paid and statement of assets and net assets arising from cash transactions recognize only cash received and disbursed. Therefore, receivables and payables, accrued income and expenses, and amortization and depreciation, which would be recognized under generally accepted accounting principles, and which are material in amount, are not recognized in the accompanying financial statements.

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The Organization has accounted for the PPP loan as a conditional contribution.

Net Assets

The following classifications of net assets are reported on the statement of assets and net assets arising from cash transactions:

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. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purposes restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of statement of revenues collected and expenses paid as net assets released from restrictions. Donor-restricted contributions for which the restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 2. Summary of Significant Accounting Policies

Donated Goods

Donated goods are excluded from the statement of revenues collected and expenses paid in accordance with the cash basis of reporting selected. For the year, there was a total of \$363,203 in-kind contributions received, consisting primarily of food used in Organization ministry distribution.

Additionally, a number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs. The value of contributed time is not reflected in these financial statements.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program services – Includes costs that enable the Organization to provide services to clients to fulfill its mission.

Management and general – Includes costs related to administering the day-to-day activities of the Organization. These costs include bookkeeping, management, and governance.

Fundraising – Includes costs related to an appeal for financial support or for a contribution to the Organization. These costs are typically related to a fundraising event or solicitation of donations.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs may be allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. They are as follows:

	Method of allocation
Salaries	Time and effort
Payroll taxes and benefits	Time and effort
Facilities rent	Square footage
Utilities	Square footage
Repairs and maintenance	Square footage
Website and communication	Even distribution

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to routine audits by taxing jurisdictions for the periods of 2017 to the present; however, there are currently no audits for any tax periods in progress.

The Bridge, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 3. Leases

The Organization leases commercial office space under an operating lease. Office rental expense, including common area maintenance, under this agreement was \$113,351 for the year. The lease was extended in January 2021 through January 2024 with standard 2% rent increases under substantially the same terms.

The Organization has future minimum payments as follows:

Year ended December 31,	
2022	\$ 106,378
2023	108,505
2024	<u>9,057</u>
	\$ 223,940

Note 4. Concentrations

The Organization had bank deposits in a financial institution that were \$53,165 in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation at year-end.

Approximately 26% of the Organization's total contributions received for 2021 were received from a single organization who employs the founder's husband (who is also a Board member).

Note 5. PPP Loan

On July 11, 2020, the Organization received a loan in the amount of \$81,261 in accordance with the PPP section of the CARES Act. On January 27, 2021, the Organization received notification the loan was fully forgiven by the Small Business Administration. Cash was received and acknowledged as revenue in the 2020 financials under the cash basis of accounting.

Note 6. Related Parties

Board members, organizations that employ board members, and Organization employees and their families donated approximately \$490,000 to the Organization for the year.

One organization who employs the founder's husband (who is also a Board member) donates in-kind square footage within their location for use by the Organization as a commercial kitchen for ministry food preparation. There is no formal agreement governing this arrangement and the effects of the arrangement are not reflected in the financial statements.

Note 7. Subsequent Events

The Organization's management has evaluated subsequent events through January 5, 2023, the date on which the financial statements were available to be issued.